

U. S. Department of Justice

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FEDERAL BUREAU

of

INVESTIGATION


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92-HQ-7319
SERIALS 32-48
SECTION 2



92-HQ-7319-24

SECTION 2
SERIALS 32-48

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE JAN 28 1971	INVESTIGATIVE PERIOD 9/4/70 - 1/19/71
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [redacted]	TYPED BY lan
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [redacted] dated 10/30/70.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow subject's activities.

ADMINISTRATIVE

It is noted that the period of this report precedes that of referenced report. This was caused by receipt of information not available at time of referenced report.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:	
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
							PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
APPROVED					SPECIAL AGENT IN CHARGE			DO NOT WRITE IN SPACES BELOW
COPIES MADE:					92- 7319 -32			REC 16
See Page ii.					7 FEB 1 1971			
3 - Bureau					NOTES			
92-7319					SEARCHED			
Dissemination Record of Attached Report					Notations			
Agency	CO. AAG. Criminal Division							
Request Recd.	Organized Crime and Racketeering							
Date Fwd.	Section Room 2744							
How Fwd.	By 157							

55 FEB 23 1971

COVER PAGE

Copies Made:


- 3 - Bureau (92-7319)
- 1 - USA, Chicago
- 1 - Attorney In Charge,
Chicago Field Office
(Attention: SHELDON DAVIDSON)
- 1 - Honolulu (92-173) (Info.)
- 1 - San Juan (92-366) (Info.)
- 2 - Chicago (92-671)

CG 92-671

As the Bureau is aware, this subject has been selected as a target for possible subpoena before FGJ and use of immunity.

Information copy to Honolulu and San Juan inasmuch as pending investigation being conducted there.

INFORMANTS

<u>Source</u>	<u>Date of Contact</u>	<u>Agent Contacting</u>
		SA
		SA
		SA
		SA
		SA
		SA

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago
1 - Attorney In Charge, Chicago Field Office
(Attention: SHELDON DAVIDSON)

Report of:

SA [REDACTED]

Office:

CHICAGO

Date:

JAN 28 1971

Field Office File #:

92-671

Bureau File #: 92-7319

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Title:

KEN ETO

Character:

ANTI-RACKETEERING

Synopsis:

Subject reportedly involved with [REDACTED]

[REDACTED] contacted [REDACTED]

[REDACTED] Subject's apartment
3200 North Lake Shore Drive, entered by Police and
Agents; at request of [REDACTED]

- P -

DETAILS:AT HONOLULU, HAWAII.

The following investigation was conducted
by SA [REDACTED] at Honolulu, Hawaii:

On September 23, 1970 [REDACTED]
[REDACTED] Honolulu Police Department, Intelligence
Division, advised that the Honolulu Police Department
has [REDACTED]

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On December 7, 1970 [REDACTED]

AT CHICAGO, ILLINOIS.

[redacted] advised that "JOE THE JAP" (true name unknown) owns The Den and Colony East Clubs. [redacted]

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[redacted] owns the Cabaret on Rush Street. [redacted]
[redacted] work there.

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On [redacted] advised that JOSEPH DI VARCO;
[redacted]
of JIMMIE ALLEGRETTI, [redacted] and KEN ETO were at the
Shirts Unlimited, on 10/14/70.

On [redacted] was recontacted
[redacted]
[redacted] She said that she had no information for the
FBI and did not wish to be contacted in her apartment.

On [redacted]
[redacted]
[redacted] advised that he knows
the subject, but can furnish no pertinent information about
him. He said the subject resides in apartment 2806 and has
a neighbor who comes from Japan, and works for a large Japanese
Company.

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[redacted] Harbor
House Garage, 3200 North Lake Shore Drive, advised he knows
the subject but does not see him very often and that he works
from 4:00 PM to 1:00 AM.

On [redacted] was telephonically
recontacted at which time she again advised she had no information
to furnish. She was contacted on [redacted]

FEDERAL BUREAU OF INVESTIGATION

1Date October 28, 1970

DOMINICK NUCCIO was contacted in the lobby of the Webster Hotel, 2150 North Lincoln Park, and engaged in conversation after picking his car keys up from the front desk and walking to the rear parking lot. He furnished the following information:

NUCCIO stated that he has been attending the horse races all during the summer at whatever track was operating and he has been a loser. He stated that he was that morning on his way Downtown to the Internal Revenue Service in order to make a \$135 monthly payment which was agreed to by his attorney and the government to settle a federal claim. He indicated that he is a sick man and has trouble with his breathing. He also said that even though he has this trouble he has to continue smoking cigars. Concerning KEN ETO, NUCCIO said "Yeah I know JOE THE JAP and if I see him it's because I borrow money from him." NUCCIO continued by stating that he enjoyed his days as a hoodlum but he has not been involved in anything for the past 15 years. When asked about his association with JOSEPH ARNOLD and JOSEPH DI VARCO he stated that he was not going to put himself in any kind of a position and drove off.

b6
b7cOn 10/16/70 at Chicago, Illinois File # CG-92-1980SA algby _____ Date dictated 10/22/70

-6-

This document is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

On November 13, 1970, [REDACTED]
[REDACTED]
[REDACTED]

Chicago, advised SAS [REDACTED] that he could not furnish any information on the subject other than he can speak Japanese.

On November 24, 1970, [REDACTED] telephonically contacted at his home, at which time he advised that he did not wish to meet with any FBI Agents; however, he did state that KEN ETO had two children by his first wife, [REDACTED]. He said that they had a boy named [REDACTED] and a girl whose name he does not recall. b6 b7C

On December 2, 1970, [REDACTED] Chicago Police Department (CPD), Intelligence Unit, advised that the [REDACTED]
[REDACTED]

On [REDACTED] [REDACTED] advised that KEN ETO has sold Bourbon Street, to [REDACTED] an Oriental. ETO now has proprietary interest in the Golden 8 Ball and The Den on the near north side. ETO described as mystery man as far as business operations go. ETO still engaged in Bolito operations according to rumor. ETO formerly resided in MART Inn on La Salle Street. b2 b6 b7C b7D

FEDERAL BUREAU OF INVESTIGATION

Date December 16, 1970

[redacted]
[redacted] was contacted at his place of employment, [redacted] at which time he was engaged in conversation about [redacted] by Special Agent (SA) [redacted]. This conversation was of general nature, accompanied by an individual he introduced as [redacted]

[redacted]
[redacted] After spending two hours with [redacted] the Agents excused themselves for lunch and told [redacted] they would stop back a little later to speak with him.

At 1:30 p.m., the Agents returned and it was determined [redacted] no longer at [redacted]

[redacted] The Agents went to [redacted] told [redacted] to speak to him about an important matter, and they then went to the Bureau car [redacted] told that the Agents wanted to speak to him about his association with KEN ETO. He was further advised that he would not have to make any statements, and any statements made by him could be used against him in a court of law. He was further advised that he could consult his attorney or anyone else to advise him. He was told that he could stop answering questions at any time and that if he could not afford an attorney, one would be appointed for him if needed.

[redacted] understood his rights and would be happy to cooperate with the Federal Bureau of Investigation (FBI) and tell them all he knew about KEN ETO. He stated that he has not had any contact with KEN ETO since [redacted]

[redacted] told ETO, who he knows as [redacted]

On 12/4/70 at Chicago, Illinois File # CG 92-671
SA [redacted] / JEO: smo Date dictated 12/10/70
by [redacted]

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"JOE MONTANA", that he no longer wanted to be associated with him in his Bolita operation. [redacted]
[redacted]

[redacted] first met JOE MONTANA, who he now knows as KEN ETO, a Japanese-American, at the Tropicana Club in the vicinity of Clark and Division Streets in Chicago. He said ETO ran this club and was assisted by an individual known to him as "APPLES", a white male, who would now be in his 50s, light complected, 5'6", 159 pounds. The Tropicana Nightclub had gambling games every night run by ETO and "APPLES" which were attended by the Orientals and Puerto Ricans in Chicago. [redacted]

[redacted] later, ETO moved from the Tropicana and went into the Bamboo Club on Rush Street. Later, the name of the Bamboo Club was changed to Bourbon Street. The club was operated by KEN ETO and [redacted]. He stated that he came to know ETO as working for the syndicate and operating gambling activities among non-whites. He said ETO would be at these clubs conducting gambling operations every day. [redacted]

[redacted] for KEN ETO but later as the operation grew and became more profitable, ETO had several Orientals working for him [redacted]
[redacted]

reported directly to KEN ETO.

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[redacted] the Bolita operation is now being conducted in Chicago. However, he said the Puerto Rican lottery is still being run by ETO and the drawing is once a week. The winning number is determined by the number drawn in San Juan, Puerto Rico, weekly.

[redacted] in late 1957, there were several murders of individuals involved in the Bolita operation in Chicago. He stated these murders were caused by KEN ETO to solidify the syndicate control of Bolita among the Puerto Ricans. One of the individuals murdered was a (first name unknown) LOPEZ in the vicinity of Waukegan, Illinois.

[redacted]
he was asked by Agent [redacted] what he was doing on [redacted]
[redacted] at [redacted] He stated that he lied to SA [redacted] and said he was not at that location at that particular time. However, he now said that he was at [redacted] where he had been sent by KEN ETO to [redacted]
[redacted]

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[redacted]
[redacted]
RAMON GONZALEZ who he stated committed suicide by hanging himself in Humboldt Park. He stated that he believes GONZALEZ did hang himself even though rumors persist in the Puerto Rican community that he was executed by the syndicate for stepping out of line in the Bolita operation.

He concluded by stating that he fears that if the syndicate knows he has divulged information, they would kill him.

FEDERAL BUREAU OF INVESTIGATION

Date December 17, 1970

[redacted]
[redacted] was
contacted at [redacted]
[redacted]

[redacted] is in no way involved with
KEN ETO. He said rumors persist in the Nisi community of
Chicago that ETO exerts some control of [redacted]
[redacted]
[redacted]
[redacted] people feel that ETO controls [redacted]
[redacted]

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[redacted] it is general knowledge
among the Nisi community in Chicago that KEN ETO owns the
Bourbon Street Nightclub, the Den Nightclub and the
poolroom above the Den in Chicago. [redacted]
[redacted]
[redacted]

On 12/10/70 at Chicago, Illinois File # CG 92-671
by SA [redacted] and JEO: smo Date dictated 12/11/70
SA [redacted]

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[redacted] ETO is a close associate of [redacted] a short, Chinese individual who operates a restaurant and lounge and a motel at 95th and Stony Island. [redacted]

[redacted] often saw ETO and [redacted] cabaretting. ETO would always be seen with young white females. He said in his association, he knew that ETO was a soft touch for any story told him by a young white female. He is always giving them money.

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[redacted] viewed a photograph of [redacted] who he identified as an individual who frequents the [redacted] he was unable to identify a photograph of [redacted]

He said one front of KEN ETO's is a Nisi known as [redacted]

[redacted] is in no way connected with KEN ETO and would like to assist the Government in proving him guilty of numerous crimes in that he is a disgrace to the Japanese-American Community in Chicago.

On [redacted] advised that to his knowledge, KEN ETO continues to be the Chicago Crime Syndicate representative in charge of Puerto Rican gambling activities in Chicago.

Source advised that ETO knows very little Spanish and just uses occasional slang phrases.

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[redacted]
[redacted]

[redacted]
[redacted]

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[redacted] advised [redacted] is the boss of Puerto Rican gambling activities in the Milwaukee area.

[redacted]
has an independent Bolita operation in Chicago and has a
[redacted]

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[redacted] has two bodyguards because of his fear of KEN ETO.

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[redacted] feels [redacted] is no doubt a millionaire as a result of his gambling earnings. [redacted]
[redacted]

Source advised that [redacted] is a friend of [redacted]

Source advised [redacted] resides at [redacted]
[redacted] Chicago, and has a store at [redacted]

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Source advised that [redacted] now has a liquor store somewhere in Chicago.

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[redacted] advised he would attempt to learn more about current Puerto Rican gambling activities.

[redacted] knew of no new riots in the near future.

[redacted] advised Puerto Rican lottery tickets are plentiful in the Chicago area. [redacted]
[redacted]

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On [redacted] advised that KEN ETO stays sometime at the LaSalle Motor Lodge, on Chicago's near North Side and either owns the Chinese Restaurant at that lodge or has a piece of it.

[redacted] is a front for ETO and runs errands for him. [redacted] are Orientals who work for ETO in connection with his gambling interest.

[redacted] stated that ETO's Bolito and Cadillac numbers racket are controlled by both ROSS PRIO and FIORE BUCCIERI and have been under their control for many years. The income from these two rackets has been extremely large and ETO has been a big money maker for PRIO and BUCCIERI.

On [redacted] advised that KEN ETO is converting the basement of the Golden Eight Ball, which formerly housed his Chinese restaurant, into an amusement room where he will install different types of pinball machines.

The informant stated the area next to this location where the Den was located will not be reopened and the entrance to the amusement room will also be from the Golden Eight Ball as well as from the outside entrance, which will suffice for the fire code.

[redacted] advised that the following individuals have considerable knowledge regarding ETO's operations in the Rush Street area:

[redacted] (phonetic) formerly worked at Bourbon Street, and was associated with ETO in his gambling interest. [redacted] is heavy set and stands about 5'7" in height.

[redacted]
[redacted] who formerly worked at Bourbon Street.

On [redacted] advised that KEN ETO is a partner of an Italian whose name is [redacted] (phonetic) from out west.

This information was discussed in [REDACTED]
[REDACTED]

On December 22, 1970, inquiry at the Hashkin Restaurant, 2338 North Clark Street, revealed that [REDACTED] was present, but when approached by SA [REDACTED] she excused herself and went upstairs.

After a few minutes [REDACTED] known to SA [REDACTED] as [REDACTED] and his attorney [REDACTED] stated that [REDACTED] DON CHUZO NISHI, was killed in an automobile accident with the semi-trailer in Indianapolis on December 14, 1970. [REDACTED]
[REDACTED]

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On December 30, 1970, [REDACTED] Telephone Number [REDACTED] was contacted at the Golden Eight Poolroom, 44 East Walton, Chicago. He was unable to provide information.

On December 17, 1970, KEN ETO was observed by SAS [REDACTED] entering a Yellow Cab at 4:24 PM in the vicinity of 1142 North La Salle. At 4:27 PM he left the cab at the corner of Walton and Rush Street. At 4:28 PM he was observed walking east on Walton.

FEDERAL BUREAU OF INVESTIGATION

Date 1/8/71

1

The following observations were made by
SA [] on January 4, 1971:

12:05 p.m.

Four Chicago Police patrol cars were observed parked in front of the entrance of the Harbor House, 3200 North Lake Shore Drive.

12:15 p.m.

SA [] entered the Harbor House and spoke with the individual who owns and operates the dry cleaning shop in the apartment building. This individual advised that the police were searching for a prowler in the north tier. The individual said that KEN ETO occupies the south tier.

12:20 p.m.

SA [] telephoned apartment 2806 and asked for JOE. A female known to SA [] as [] with whom the Agent has spoken in the past answered. She said JOE was out and she requested that the Agent immediately come to her apartment.

12:24 p.m.

SA [] was admitted to apartment 2806 by [] who was in a hysterical state. She rambled on about how two white males forced their way into her apartment saying they were police officers. She said they did not display any badges or warrants. She stated that these two individuals were still in the apartment. SA [] immediately called the Chicago Police Department (PD) on the nearest phone located in the bathroom.

On 1/4/71 at Chicago, Illinois File # CG 92-671

by SA [] dml Date dictated 1/7/71

18

At 12:30 p.m. [REDACTED]

[REDACTED] arrived. The stated that they had received a phone call that there was a prowler on the 28th Floor of the Harbor House and that they went to the 28th Floor in the south tier and did not locate anyone. At this time [REDACTED] advised she had called the police department prior to being called by SA [REDACTED]

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Upon the arrival of the police officers, SA [REDACTED] and the officers checked out the apartment and found no one was present. In doing so, it was noted that in the north bedroom there was a desk. This room apparently is utilized by the leaser of the apartment, KEN ETO, as an office. Noted in the bottom right-hand drawer of the desk were three .32 caliber bullets. On top of the desk was a metal can containing numerous white pills.

SA [REDACTED] telephonically contacted SHELDON DAVIDSON, Attorney in Charge, Chicago Field Office of the Department of Justice Strike Force, for advice. Mr. DAVIDSON requested SA [REDACTED] to return to his office and obtain a search warrant.

While looking for the two unknown males in the apartment, observed in the office was a box, approximately 18 inches long, 12 inches wide, and 5 inches deep, overflowing with packets of thoroughbred horse race paramutual betting tickets from various horse race tracks in the Chicagoland area during 1970.

At 4:30 p.m., Mr. DAVIDSON advised that the government would not proceed with the search warrant inasmuch as the Chicago Police Department had already conducted a search of the premises. The police made the search in connection with the investigation of the home invasion. SAs [REDACTED] were present and advised that the police had conducted a thorough search and there was nothing in the apartment that would interest the government.

³
CG 92-671

Mr. DAVIDSON advised that KEN ETO had
returned to the apartment [REDACTED]

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No gun was found in the apartment and the drugs on
the desk were determined to be non-narcotic.

FEDERAL BUREAU OF INVESTIGATION

Date 1/11/701

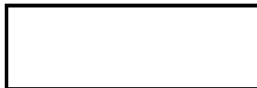
At approximately 3:58 a.m., January 4, 1971, KEN ETO entered Apartment 2806, 3200 North Sheridan Road, Chicago, Illinois, which is the residence he shares with [redacted]. After [redacted] identified himself to ETO as a Special Agent of the Federal Bureau of Investigation (FBI), ETO inquired as to the reason for the Agent's presence.

[redacted]

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On 1/4/71 at Chicago, Illinois File # CG 92-671
by SA [redacted] /cas Date dictated 1/7/71

On January 8, 1971, [REDACTED]
Intelligence Unit, Chicago Police Department, advised
that his investigation of the subject's involvement in
Bolita is continuing. He stated that they have not in
any way been able to concretely tie the subject in.
However, recent investigation has determined that the
following individuals connected with the "outfit" are
involved:



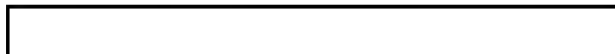
He requested that no action be taken unless cleared
with him in order not to jeopardize their investigation.

On January 12, 1971, contact with the record department
Intelligence Unit, CPD, 1121 South State Street, revealed the
following information on KEN ETO from their card files:

Father	MARMORA ETO
Mother	KURA TADA ETO



March 18, 1968---ETO and [REDACTED] observed
at Stephano's Restaurant, 2000 West Chicago,
Car registered to [REDACTED]



On January 12, 1971, THOMAS LYONS, Director, Intelligence Unit, Chicago Police Department, 1121 South State Street, advised that he would be happy to assist the FBI in an investigation concerning KEN ETO. He said that he would make available all information and their files pertaining to ETO upon receipt of a letter from the Attorney In Charge, Chicago Field Office, requesting same.

On January 13, 1971, PETER VIARA, Special Attorney, Department of Justice, Chicago Strike Force, was advised of Director LYON's request.

In connection with a search conducted at the subject's apartment by the CPD, the following numbers were located and their subscribers are being set forth:

Number

Subscribers

744-8230

City of Chicago,
121 North La Salle

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421-0869

American Starter Drive Service
418 South Green

CG 92-671

Number

Subscriber

392-1403 (253-9981)

(No record as business or residence.
May have been disconnected)

944-4560

Abby Apartment Hotel,
[redacted]

11 West Division
(1/11/71 - No information)

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620-5300

Not a working number - no record.

267-2200

[redacted]
Memorial Hospital
2544 West Montrose

This information was received on January 6, 1971,
from Officer [redacted] Intelligence Unit, CPD.

Records of the Chicago Police Department revealed

[redacted]

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The following is an arrest record located at the
CPD for [redacted]

On January 19, 1970, [redacted] Illinois Bureau of Investigation, telephone [redacted] advised that he had information on the subject to furnish to the FBI.

AT SPRINGFIELD, ILLINOIS.

The following investigation was conducted by IC

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[redacted]
[redacted] Drivers License Section, Secretary of State, Springfield, Illinois, advised on November 24, 1970, that a check of records failed to reflect any drivers license issued to a [redacted]. She also advised that driver's license [redacted] was issued January 26, 1968, to [redacted]. This license expires May 24, 1971. [redacted]

[redacted] She also advised that on July 8, 1969, his address was changed to [redacted] and his occupation is reflected as [redacted] took an examination for above mentioned drivers license in a vehicle with 1968 Illinois license [redacted]. [redacted] and reflected [redacted] address as [redacted].

[redacted] Auto Registration, Secretary of State, Springfield, Illinois, advised on November 24, 1970, that a check of records for 1969 and 1970 failed to reflect any vehicles registered or titled to [redacted] or KEN ETO. He also advised that 1968 Illinois license [redacted] was issued March 29, 1968 to [redacted] for a 1967 Mercury Comet, Four-door, VIN [redacted].

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

January 28 1971

In Reply, Please Refer to

File No. CG 92-671

Title KEN ETO

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Character ANTI-RACKETEERING

Reference is made to report of SA [redacted]
dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

BR015 CG CODE

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

603PM NITEL 3-18-71 JMD

MAR 18 1971

TO DIRECTOR (92-7319)

TELETYPE

HONOLULU

HONOLULU VIA BUREAU

FROM CHICAGO (92-671)

KEN ETO, AKA. OO: CHICAGO.

Mr. Tolson _____
Mr. Sullivan _____
Mr. Mohr _____
Mr. Bishop _____
Mr. Brennan CD _____
Mr. Callahan _____
Mr. Casper _____
Mr. Conrad _____
Mr. Dalbey _____
Mr. Felt _____
Mr. Gale _____
Mr. Rosen _____
Mr. Tavel _____
Mr. Walters _____
Mr. Soyars _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

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AS BUREAU AWARE, ETO IS JAPANESE AMERICAN WHO REPORTEDLY
OPERATES BOLITO IN CHICAGO AREA UNDER AUSPICES OF UPPER ECHELON
LEADERS OF ORGANIZED CRIME, FIORE BUCCIERE AND ROSS PRIO.

[REDACTED]

LAST THAT HE HAS LEARNED ETO LEFT CHICAGO IN RECENT PAST FOR
HONOLULU WHERE HE WAS BELIEVED TO BE SURVEYING THAT AREA FOR
POSSIBLE LEGALIZED GAMBLING OPERATION TO BE FINANCED BY CHICAGO
ORGANIZED CRIMINAL GROUP THERE. NOTED IT HAS BEEN FUNCTION OF
ETO IN PAST TO TRAVEL TO PUERTO RICO AND VARIOUS PARTS OF
SOUTH AMERICA TO DETERMINE FEASIBILITY OF LEGALIZED GAMBLING
OPERATION THERE.

[REDACTED]

92-7319-33

[REDACTED]

[REDACTED]

EX-100

HONOLULU REQUESTED TO CONDUCT APPROPRIATE INVESTIGATION MAR 23 1971

ESTABLISH CONTACTS OF ETO THERE AND ATTEMPT TO DEVELOP INFO RE
HIS ACTIVITY ON BEHALF CHICAGO HOODLUM GROUP.

END

TELETYPE TO
56 MAR 19 1971

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-7319)

DATE: 3/23/71

FROM : SAC, HONOLULU (92-173) (P)

SUBJECT: KEN ETO, aka

AR

OO: HN

Bufile 92-7319

ReCG nitel to Bureau and Honolulu dated 3/18/71;
Honolulu airtel to Chicago dated 12/10/70.

On 3/19/71 Officer [redacted]

[redacted] Honolulu Police Department (HPD), advised SA [redacted] that members of his squad had conducted some investigation in this matter and he would attempt to determine the outcome.

On 3/22/71 [redacted]

[redacted] HPD, furnished the following to SA [redacted]

Several months ago [redacted] a writer for the "Chicago Sun-Times," was in Honolulu checking up on the activities of KEN ETO as regards his associations with FIORE BUCCIARE, who reportedly was a member of organized crime in Chicago and the backer of KEN ETO in several enterprises. [redacted] apparently heard that ETO had come to Honolulu because he was conducting some sort of survey or making contacts for BUCCIARE in the event gambling was legalized in Hawaii. Later on [redacted] heard from [redacted] who told him that the original rumor started when BUCCIARE had disappeared for a short time and had come back with a suntan, hence, the idea he had been to Hawaii. However, [redacted] learned that BUCCIARE had been to Trinidad and other places in that particular part of the world.

- 2 - Bureau
- 2 - Chicago
- 1 - Honolulu

RMG:er

(5)



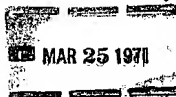
5010-108-01

5 APR 1 1971

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

REC-7
EX-104

92-7319-34



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b7C

b6
b7C

HN 92-173

b6
b7c

There was another rumor that ETO was in Honolulu sometime between September and December, 1970, with three or four others. Investigation has disclosed that when they stopped in Honolulu they were either going to or coming from Japan. [redacted] has not been able to verify this fact. There is no indication anywhere among the sources and informants that either ETO or BUCCIERE is trying to establish any sort of business enterprise in Honolulu. As far as he could learn, ETO was here [redacted]

[redacted] is fairly certain that this is the only reason he was here. [redacted]

[redacted] They are still checking to determine if ETO has any contacts in Honolulu.

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[redacted] pointed out that ETO was born on the U.S. mainland and has never had any business of any kind in Honolulu. [redacted]

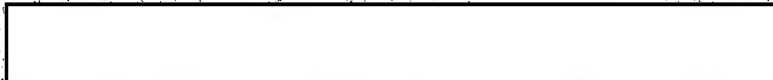
[redacted] He has no known underworld contacts in Honolulu.



LEAD:

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HONOLULU DIVISION:



FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE MAR 31 1971	INVESTIGATIVE PERIOD 1/7 - 3/22/71
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY cmm
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [REDACTED] dated 1/28/71.

- P -

ENCLOSURES

Enclosed for each receiving office are two (2) copies of two (2) photographs of the subject. One is a Chicago Police photo taken January, 1968, and one an Intelligence Unit, Chicago Police Department, photo taken April, 1970, in which subject has long hair.

LEADSHONOLULU

AT HONOLULU, HAWAII. Will continue investigation concerning subject and his relatives in Honolulu. Will also determine facts

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE:		92-7319-35 REC-85

(See 11 page.)

Dissemination Record of Attached Report				
Agency				
Request Recd.		CC. SAC. Criminal Division,		
Date Fwd.		Organized Crime and Racketeering		
How Fwd.				
By		Section, Room 2444		

Notations

ONE
SAC. REC'D

53 APR 15 1971

COVER PAGE

- 3 - Bureau (92-7319)
- 1 - USA, Chicago
- 1 - Attorney in Charge, Chicago Field Office
(Attention: SHELDON DAVIDSON)
- 1 - Los Angeles (92-2117) (Enc. 2) (Info.)
- 2 - Honolulu (92-173) (Enc. 2)
- 2 - San Juan (92-366) (Enc. 2)
- 3 - Chicago (92-671)

CG 92-671

developed by Honolulu Police concerning subject's reported attempts to establish legitimate gambling in Hawaii. (A copy of newspaper publicity in Chicago is contained in details.)

SAN JUAN

AT [REDACTED] 1. Will contact [REDACTED]
[REDACTED] concerning his association
with subject or any association of his associates with
subject.

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2. [REDACTED]
[REDACTED]
[REDACTED]

3. Will, through sources, attempt to develop
information on importation of Puerto Rican lottery tickets
into Chicago, Illinois, area.

CHICAGO

AT [REDACTED] Will attempt to locate
[REDACTED] Sheriff in November, 1957,
and investigated the murder of EUGENIO LOPEZ, also known
as JAMES CRIZELL.

b6
b7C

AT CHICAGO, ILLINOIS. 1. Will continue to follow
subject's activities.

2. Will, at Chicago Police Department Headquarters,
obtain reports on alleged murder of JOE RIOS+SANTIAGO GONZALEZ,
noting that these two individuals were allegedly murdered
in late 1967 and early 1968 over the "Bolita" numbers rackets
among Puerto Ricans.

- B -

COVER PAGE

CG 92-671

b6
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3. Will attempt to locate [REDACTED]
[REDACTED]

ADMINISTRATIVE

On [REDACTED]

(protect).

advised telephone number [REDACTED]

is

listed to [REDACTED]
[REDACTED]

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INFORMANTS

[REDACTED] contacted [REDACTED]

[REDACTED], by SA [REDACTED]

b2
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- C* -

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

1 - USA, Chicago
1 - Attorney in Charge, Chicago Field Office
(Attention: SHELDON DAVIDSON)

Report of:

SA [REDACTED]

Office: Chicago, Illinois

Date:

MAR 31 1971

Field Office File #: 92-671

Bureau File #: 92-7319

Title:

KEN ETO

Character:

ANTI-RACKETEERING

Synopsis:

Subject's birth verified 10/19/19 at San
Joaquin County, California. Information
obtained on [REDACTED]

[REDACTED] interviewed Los Angeles, Cali-
fornia. Investigation at Puerto Rico revealed

[REDACTED] Subject contacted 3/17/71 and
stated he no longer is involved in "Bolita".

- P -

DETAILS: AT SUPERIOR, WISCONSIN

Telephone number 715-394-6988, located at 6327
Tower Avenue, Superior, Wisconsin, is billed to Tacocsi,
Incorporated, Skokie, Illinois. Telephone number [REDACTED]
is listed to [REDACTED]

AT STOCKTON, CALIFORNIA

On February 1, 1971, a review of the San Joaquin
County Clerk's records by SA [REDACTED] revealed a
certificate of birth for KEN ETO filed on October 24, 1919.
This certificate reflected that ETO was born on October 19,
1919, to MAMORU ETO and KURA TADA (maiden name) ETO. At
the time of birth, the father's age was 36 and the mother's
age was 25. The parents' address was recorded as #10 Bacon

Tract, San Joaquin County, and their race was Japanese. This certificate reflects both the mother and father were born in Japan and KEN ETO was the second living child born to the mother. The father's occupation was recorded as farmer and the mother's occupation was housewife.

AT CHICAGO, ILLINOIS

[redacted] KEN ETO operates the "Bolita" numbers lottery in the Chicago area. Source, however, said he has little personal knowledge of ETO's detailed activities relating to his lottery activities. ETO's associates were individuals on the north side of Chicago and included, but not limited, to the following persons:

ROSS PRIO
JOSEPH DI VARCO
JAMES VINCENT ALLEGRETTI
(deceased)

[redacted]

DONALD ANGELINI

[redacted]
FELIX ALDERISIO

[redacted]

MICHAEL GLITTA
DOMINICK DI BELLA

[redacted]

[redacted] advised that to the best of his knowledge ETO was strictly associated with the near north side crowd in Chicago and had no connection with any other faction.

Source noted that in regards to his and ETO's trip to Puerto Rico in 1961 or 1962, source believed that a large number of people were aware of this trip, including ROSS PRIO, JOSEPH DI VARCO, JAMES ALLEGRETTI and other "hangers on" who frequent the north side of Chicago.

AT AURORA, ILLINOIS

The following investigation was conducted by SA

[redacted]

CG 92-671

On February 11, 1971, [redacted]
Bureau of Identification, Aurora Police Department, made
available a copy of offense number [redacted] concerning [redacted]
[redacted] concerning his arrest on January 11, 1960, on the raid
of a gambling house on the northeast corner of Claim where
"Bolita" lottery was conducted the night of January 10, 1960.

[redacted] was arrested
with numerous other Puerto Rican males and confiscated many
lottery number books, a safe, a revolving basket and currency
in the amount of \$62.65. Contained in the safe was a gaming
device which was used to determine a winner with the Spanish
name "Bolita" marked thereon.

AT LOS ANGELES, CALIFORNIA

The following investigation was conducted by SAs
[redacted]

On [redacted] contacted
and furnished information concerning the subject and the
[redacted]

[redacted]
[redacted]
[redacted] She related that she does not recall
exactly how she met the subject, but believes that it must
have been through the bars that he frequented in Chicago.
[redacted]

[redacted]
[redacted] She stated that at no time did she
ever know exactly what ETO did, as he never discussed this
with her. [redacted]
[redacted]

FEDERAL BUREAU OF INVESTIGATION

Date 1/19/71[redacted]
[redacted]
[redacted] was interviewed [redacted]
[redacted]JAMES advised that her mother is deceased and
[redacted]

A photograph of KEN ETO, taken by the Chicago, Illinois, Police Department was shown [redacted] readily identified the photograph as being the person who subleased her apartment [redacted] in Chicago, Illinois. [redacted] claimed that she knew ETO also as "JOE THE JAP" and "SLANT EYES". She said that she had seen ETO numerous times in the Rush Street Area in Chicago and also in the vicinity of a bar where she once was employed known as "My Place". She volunteered that ETO had the reputation of being a "ladies' man" who lavished money and gifts upon any women that he consorted with. She recalled that ETO allegedly was partial to red-headed women. She stated categorically that she never was ETO's paramour; however, she said that if ETO had "propositioned her" she might have accepted the role of being ETO's "girl".

She stated that ETO apparently looked upon her only as a "casual acquaintance" and that she never had any dates or affairs with ETO. [redacted] possesses no information concerning ETO's associates and business activities because it was the accepted practice

On 1/19/71 at Las Vegas, Nevada File # LV92-3516by px [redacted] Date dictated 1/19/71

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

LV92-3516

in the Rush Street area of Chicago that people did not ask questions pertaining to persons such as KEN ETO.

She reiterates that the reason her former apartment in Chicago was subleased by ETO and a girlfriend of ETO's was, as she had previously stated to the FBI, strictly a matter of convenience for ETO and there were "no strings attached".

The following background descriptive information was furnished by [REDACTED]

Name:
Race:
Date of Birth:
Place of Birth:
Height:
Weight:
Hair:
Eyes:
Social Security Number:

[REDACTED]

On January 20, 1971, [redacted] Special Agent, Illinois Bureau of Investigation, provided information that KEN ETO was observed and photographed on six different occasions entering and leaving Shirts Unlimited, operated by JOSEPH DI VARCO and JOSEPH ARNOLD. Dates of the observation were September 4, 14 and 15, and August 25, 26 and 28 of 1970.

On February 16, 1971, a spot check of the Harbor House, 3200 North Lake Shore Drive, revealed no information on the subject's vehicle. The manager of the building, however, said the subject does not intend to renew his lease and will leave in April. She said ETO told her that he intends to buy a house and perhaps get married. b6 b7C

On February 23, 1971, a spot check of the Carling Hotel, 1512 North LaSalle Street, revealed no information.

On February 26, 1971, [redacted] Carling Hotel, supra, advised ETO looks familiar to him, but he cannot furnish any information. He said he has home telephone number [redacted] and he will remain alert for the FBI. He said the restaurant in the hotel is operated by [redacted]
[redacted]
[redacted]

AT OAK BROOK, ILLINOIS

[redacted]
[redacted]

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FEDERAL BUREAU OF INVESTIGATION

1Date 1/28/71

At 5:50 p.m. on January 22, 1971, SA [] was making observation inside the Golden Eight Pool Room at 44 East Walton Street. At this time noticed entering the pool room was KEN ETO. SA [] having known ETO and having conversed with him in the past, approached and entered into conversation. ETO furnished the following information:

He stated that his girlfriend [] continues to reside with him. []

ETO said that the FBI will not develop any information reflecting poorly upon himself. He said that in all his business dealings is always fair with people and they can always back out. He said that in all his business dealings they usually are on a 60-40 % basis, and he, ETO, is the receiver of the 40 %.

On 1/22/71 at Chicago, Illinois File # CG 92-671

by SA [] nan Date dictated 1/22/71

- 12 -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FEDERAL BUREAU OF INVESTIGATION

1Date March 23, 1971

The following observations were made on the property of the Harbor House, 3200 North Lake Shore Drive:

At 2:15 p.m., observations inside the Harbor House garage failed to reveal KEN ETO's automobile. At 2:17 p.m., observed entering the garage from the apartment house was KEN ETO accompanied by an attractive female, age 20 to 25, long straight brown hair, dressed casually who was not known to SA [redacted]

At 2:22 p.m., KEN ETO was observed leaving the garage in a 1967 Ford Ranch Wagon, bearing 1970 dealers plates D/L426Q. At this time, ETO noticed SA [redacted] and requested to speak to the agent. ETO said he is doing well and knows that the FBI has not been able to develop any violations by ETO. He said he is not worried about this because he knows that when dealing with the FBI, he will not be framed. When asked for his comments about the recent arrest of [redacted] and some Puerto Rican men in connection with bolita, he made the following statement:

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"John when I first spoke with you I told you that I never violate any federal gambling laws. When the new law concerning local gambling went into effect, I got out of bolita."

He said that everybody working the bolita now are independent. In response to an inquiry about [redacted] he said that he has a large operation going which is operated by a bunch of "cowboys".

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On 3/17/71 at Chicago, Illinois File # CG 92-671
CG 166-1608

b6
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by SA [redacted] rrs Date dictated 3/18/71

- 13 -

On March 19, 1971, [redacted] was contacted at his restaurant in the Carling Hotel, where he advised that he knows the subject as a gambler who used to come to his restaurant up until two years ago, but he has not seen him since. He stated he use to run a restaurant next door to the subway poolroom on North Clark Street that was frequented by subject and many Chicago hoodlums.

On March 19, 1971, efforts were made to contact [redacted] at telephone number [redacted]. This number is no longer listed to her, nor is she listed in the directory.

On March 22, 1971, [redacted] Heritage Cadillac, Lombard, Illinois, telephone number 629-3300, telephonically advised he sold a 1971 Cadillac to [redacted]. [redacted] He stated he would forward the pertinent papers to the Chicago Office of the FBI.

A review of the Chicago files concerning the subject revealed the following information:

CG 92-671

The following article appeared in the Tower Ticker,
"Chicago Tribune", on February 19, 1971, by ROBERT WIEDRICH:

● **GANGLAND AFFAIRS:** While the rest of us poor suckers sit around worrying about an inflation-plagued economy, unemployment, international tensions and a lack of domestic tranquility, Chicago's crime syndicate gangsters are laughing all the way to their Swiss bank accounts.

Reduce it to these terms: Right now, the Chicago public schools are badly in need of another \$51 million to finance the education of this city's youth in 1971. And at the moment, no one seems to know from whence that kind of cash will come.

But now, hear this:

On this very day, mostly in the Spanish speaking neighborhoods of the Near Northwest Side, gangland emissaries are hard at work collecting cash from just one crime syndicate enterprise that would solve a fifth of the current public school financial crisis, a racket that will gross in excess of \$10 million this year. And that's just one facet of the big Chicagoland mob picture.



Edward Haurahan

Now, you would think a \$10 million a year business would demand big time corporate executives, plus a wood paneled office suite or two. But the overhead of this concern is incredibly low — two dozen penny-ante employees, the parking lot of a Near North Side hot dog stand as a headquarters and a seedy set of gangsters as operating heads.

Director Thomas Lyons and the men of his police intelligence division came upon this operation this week after probing a reported crime syndicate takeover from Puerto Ricans of Chino bolita, the Caribbean mode of gambling that first came to Miami in 1953 and gained a secure foothold in Chicago a year later.

● **WHEN POLICE** arrested for the first time two known crime syndicate figures at the helm of a bolita operation — John Muscato and Joseph Donato — they were astounded to find receipts representing a daily cash handle of \$33,000 for just this one enterprise. And that sum, they learned, represented only an average day's play.

Multiply that figure by six for the weekly operation [mobsters observe the Sabbath] and you get a \$198,000 gross. Multiply again by 52 weeks and that comes out \$10,296,000. Subtract the estimated \$800,000 paid winners annually, lop off another hundred grand in overhead and you're still talking about a net profit in excess of \$9,000,000 a year.

Uncle Sam is reportedly so excited by the Police Department's find that he plans to take action. And State's Atty. Edward V. Haurahan is said to be ready to act, too.

Now, we're not suggesting that Board of Education chief John D. Carey approach the mobsters in search of a loan to help bail out the schools.

But if guys like Joey [Caesar] DiVareo, Big Joe Arnold, Ken Ito and the other outfit shylocks who now reputedly run bolita had a social conscience, they'd make the overture. Not only would it improve their tawdry public image, but their stake in the future of Chicago school children would be enhanced.

After all, they need a continuing supply of reasonably affluent suckers for their rackets and the only way to get ahead today is to at least be a high school graduate.

On reflection, tho, that might not prove such a hot idea. At traditional mob interest rates of 50 per cent a week, just

think what the cost of borrowing \$10 million from these gent's would be.

Why in time, Joey Caesar could take over the schools and run a diploma mill for the rest of his days with a phony Ph.D. from Chicago City College tacked on the end of his nefarious name!

CG 92-871

The following article appeared in the "Chicago Sun-Times", Sunday, March 21, 1971, datelined Honolulu, Hawaii, by RAY BRENNAN, Sun-Times correspondent:

CHICAGO SUN-TIMES, Sun., Mar. 21, 1971

Mob lobby pushes gambling in Hawaii

By Ray Brennan

Sun-Times Correspondent

HONOLULU—A push is under way to legalize gambling in Hawaii, and in the picture for the Chicago mob is Kenneth Eto, 49. The Sun-Times has learned. Eto, boss of the mob's multimillion-dollar helena lottery racket in Illinois and northern Indiana, reportedly is the gangsters' lobbyist here.

One result of the campaign to make gambling legal has been the hottest public controversy in Honolulu since Hawaii was admitted to the Union as the 50th state in 1959.

Law enforcement officials, Honolulu's two daily newspapers and others have warned against an expected invasion by the Mafia from the mainland. Hawaii state legislators have been admonished publicly against accepting campaign contributions or gifts that might be from the Mafia.

In the background of the debate are five gangster-style murders in two months last year in Honolulu, plus an attempt last month to kill a policeman investigating the homicides.

The murder victims included a state senator, who had denounced organized crime in speeches, and a Honolulu racketeer, who had Mafia connections and wanted to take command of all gambling in the city. Also killed were three is-

Turn to Page 22

Chicago mob lobbyist to Hawaii

Continued from Page 7

landers, including an 18-year-old woman, who became police informers against the Honolulu underworld.

Honolulu police recognize all five murders as local crime syndicate matters, unrelated to the mainland Mafia.

The part of Eto, a nonviolent Chicagoan with a Japanese ethnic background, reportedly has been that of an unofficial Mafia ambassador trying to persuade Hawaii legislators to vote for legalizing gambling.

Proposals before legislators would legalize pari-mutuel wagering, presumably on dog races, and then wide open, Nevada-like casinos, subject to state taxation, in skyscraper hotels for the tourist trade in Honolulu's Waikiki.

According to Chicago, Honolulu and other police intelligence sources, Eto was picked up by his immediate superior, Ross Frio, the North Side racketeer chief, to be the mob's man in Hawaii. One of Eto's first assignments reportedly was to bring peace to the Honolulu underworld and stop the chain of murders, which have outraged the public. He presumably succeeded, since there hasn't been a murder since December.

Family reason for Hawaii visit

His Japanese ancestry gives Eto an ethnic kinship with many Oriental-American Hawaiians, including some members of the legislature. His connections include a son-in-law on the Honolulu police force, giving him a family reason for visiting the islands, according to Lt. Michael J. O'Donnell of the Chicago Police Intelligence Division.

"We know that Eto has visited Honolulu, but we are unable to pin down his activities here," said Honolulu Police Lt. H. Jack Montgomery, an expert on the city's underworld.

In Chicago, Eto became an important man in the mob by organizing and taking over 'bolita,' a lottery patronized by Puerto Ricans, Cuban refugees and other Latin Americans.

The Hawaii mobsters served notice last Oct. 21 that they would hold still for no take-over of their rackets by outsiders.

Ambitious gangster murdered professionally

Francis L. Burke, 33, a Honolulu gangster and ex-convict, had returned a month earlier from California meetings with Mafia associates. He had ideas of making a monopoly of legal gambling for mainland interests. In the bright afternoon sunshine on a street of Honolulu's Chinatown, three gunmen ambushed him. It was a professional killing.

Honolulu Mayor Frank F. Fasi and other opponents of legalization now have hopes that the pari-mutuel wagering proposal will be killed in the current legislative session. In that event, the proponents, including several hotel owners, are prepared to keep the door ajar with a study of the matter by a

KENNETH ETO

LARRY M. MONTGOMERY

state commission. The study supposedly would share the taxes from gambling would ease the burden on recreational owners and other taxpayers.

The three informers slain were a professional burglar, a heroin pusher and the girl of 18.

The murders of informers began Nov. 2 with the slaying of Herman Marfil, 20, an underworld protégé who was shot in a burglary. Hoping for leniency, Marfil had been held in his cell and told them information of the robbery would be four months earlier of Ross FitzJohn, 44, owner of the Royal Sea Horse Hotel, in Waikiki, was savagely beaten at his hotel office and shot through the head.

As a result of Marfil's information, two men and two women were charged with first-degree murder in the Marfil slaying. Marfil, after release from jail on bond, had been refused police protection. He was shot in death, and the prosecution of the four FitzJohn defendants collapsed.

The next informer who was murdered was Charles M. Anna Jr., 28, a dope peddler suspected by the underworld of talking too freely about the Marfil murders.

The underworld waited until Dec. 2 to dispose of Miss Klotzbach, 18, whose body was dug up on Waikiki beach from a grave six feet deep in a beach. She had been shot once in the head. The murder pistol was found in the beach with her. If she had lived, Miss Klotzbach would have been a prosecution witness at a trial of defendants in the Anna murder, police said.

The state senator who was killed was Larry Montgomery. He was murdered, presumably by a hired killer, who drove his car into the garage at his home.



In Reply, Please Refer to
File No. CG 92-671

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois 60604
March 31, 1971

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Title KEN ETO

Character ANTI RACKETEERING

Reference is made to Chicago report of
Special Agent [redacted]
dated and captioned as above.

All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE MAY 25 1971	INVESTIGATIVE PERIOD 3/19 - 5/14/71
TITLE OF CASE KEN ETO, aka "Joe the Jap," Joe Montana, Montana Joe, Joe, Joe Lee, "Tokyo Joe"		REPORT MADE BY <div style="border: 1px solid black; width: 100px; height: 1.2em;"></div>	TYPED BY nss
		CHARACTER OF CASE AR	

REFERENCES: Chicago report of SA ³⁵ 3/31/71.
Honolulu letter to the Bureau, 3/23/71. ³⁶

- P -

ENCLOSURESTO CLEVELAND (3)

Enclosed for the Cleveland Office is one
photograph of

and two photographs of the subject, one
bearing Chicago Police Department Number 191799, and one
unmarked photo taken in April of 1970 with the subject
wearing his hair long.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		

APPROVED <div style="border: 1px solid black; width: 100px; height: 1.2em;"></div>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
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COPIES MADE:	92-7319-36	REC-68
(See Cover Page B)	20 MAY 28 1971	EX-103
3-Bureau		

Dissemination Record of Attached Report		Notations <div style="border: 1px solid black; width: 100px; height: 1.2em;"></div> STAR SECT.
Agency	CC - AAG, Criminal Division	
Request Recd.		
Date Fwd.	Organized Crime and Racketeering	
How Fwd.	Bureau, Room 2744	
By		

COVER PAGE

* GPO : 1969 O - 290-885

55 JUN 22 1971

CG 92-671

COPIES:

- ③ - Bureau (92-7319)
- 1 - USA, Chicago
- 1 - Attorney in Charge
Chicago Field Office
Sheldon Davidson
- 1 - Los Angeles (92-2117) (Info)
- 2 - Cleveland (Encls. 3)
- 1 - Honolulu (92-173) (Info)
- 2 - San Juan (92-366) (Encls. 7)
- 2 - New York (Encls. 9)
- 2 - Chicago (92-671)

- B -

COVER PAGE

CG 92-671

NEW YORK (9)

Enclosed for New York is Chicago Police Department murder case report on JOSEPH RIOS, dated 4/24/57, and SANTIAGO GONZALES, dated 2/3/58. [redacted]

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[redacted] Also enclosed for New York are photographs of [redacted]

[redacted] and two photographs of the subject, one bearing Chicago Police Department Number 191799, and one unmarked photo taken in April of 1970, with the subject wearing long hair.

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LEADS

CLEVELAND

AT CLEVELAND, OHIO. I will refer to the section of this report regarding [redacted]

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- C -

COVER PAGE

CG 92-671

2. Will check records of local police agencies and office indices to discreetly determine the subject's reasons for conducting business in Chicago and residing in Cleveland.

3. Will also check appropriate records on [redacted] contained in the details of this report.

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NEW YORK

AT NEW YORK, NEW YORK. Will attempt to locate

[redacted]

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[redacted] It is now developed that KEN ETO has organized "bolita," a numbers game played among Latin Americans in Chicago. This operation is allegedly a \$50,000 a day profit for the organized crime element in Chicago.

[redacted]

b6
b7C
b7D

[redacted]

b6
b7C
b7D

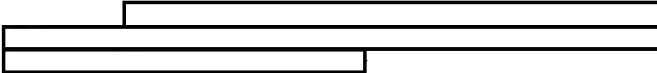
- D -

COVER PAGE

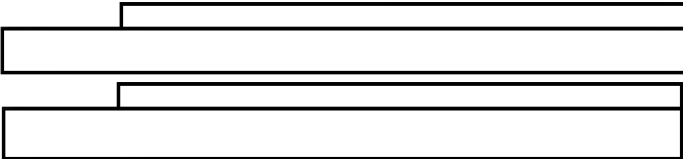
CG 92-671



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b7C
b7D



b6
b7C
b7D



CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow the subject's activities and associates.

ADMINISTRATIVE

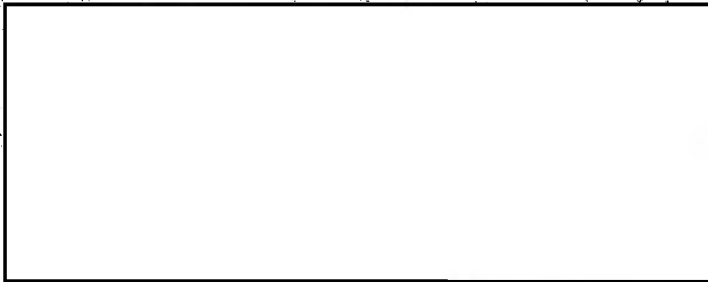
Information copies of this report are being furnished to the Los Angeles and Honolulu Offices inasmuch as investigation is currently being conducted in those divisions.

It is noted that the investigative period of this report precedes that of the referenced report. This is due to the receipt of information which was not available at the time of the referenced report.

- E*-

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/27/71b6
b7C
b7D

[redacted] He stated while in Chicago once he met ETO, whose name he thought was JOE, and [redacted] With ETO was a dark haired young woman, whose name he does not know. He stated he had never heard of [redacted] He stated that ETO had some connection with [redacted] but he did not know in what capacity. He stated he does not believe ETO was on the board of directors of Taco-Si, Inc. He stated he does not know anything about ETO's activities any more than that he appeared to be fairly close to the officers of Taco-Si, Inc. [redacted]

[redacted] He stated ETO was in Wisconsin for a fishing trip once or twice when [redacted] but he did not deal with him as such.

Interviewed 5/24/71 at [redacted] File # MI 92-818by SA [redacted] /lav Date dictated 5/25/71b6
b7C

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

1 - USA, Chicago

1 - Attorney in Charge
Chicago Field Office
Sheldon Davidsonb6
b7c

Copy to:

Report of:
Date:

SA [REDACTED]

Office: Chicago, Illinois

MAY 25 1971

Field Office File #:

92-671

Bureau File #: 92-7319

Title:

KEN ETO

Character:

ANTI-RACKETEERING

Synopsis:

KEN ETO contacted 3/30/71 [REDACTED]
alleged associate of subject, contacted
3/24/71. [REDACTED] male
Chinese American. [REDACTED]

[REDACTED] is alleged
associate of ETO [REDACTED] in narcotics
racket. [REDACTED]

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[REDACTED] ETO in contact with Chicago
organized crime figures ROSS PRIO and
DOMINICK DI BELLA. [REDACTED]

[REDACTED] ETO
moved from Harbor House, 3200 North Lake
Shore Drive, Chicago in April, 1971. In
October, 1970, ETO and [REDACTED]
[REDACTED] purchased Cadillac for \$7,500
and trade-in. Bill was paid in United States
currency, \$10 denominations and smaller.

- P -

DETAILS: AT HONOLULU, HAWAII

CG 92-671

Several months ago, [redacted] was in Honolulu checking up on the activities of KEN ETO regarding his associations with FIORE BUCCIERE, who reportedly was a member of organized crime in Chicago and the backer of KEN ETO in several enterprises. [redacted] apparently heard that ETO had come to Honolulu because he was conducting some sort of survey or making contacts for BUCCIERE in the event gambling was legalized in Hawaii.

There was a rumor that ETO was in Honolulu sometime between September and December of 1970 with three or four others. Investigation has disclosed that when they stopped in Honolulu, they were either going to or coming from Japan. This fact, however, has not been verified. There is no indication anywhere among the sources and informants that either ETO or BUCCIERE is trying to establish any sort of business enterprise in Honolulu. Apparently, ETO was in Honolulu for [redacted]
[redacted]

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ETO was born on the United States mainland and has never had any business of any kind in Honolulu. As far as can be determined, ETO only knows [redacted]
[redacted] He has no known underworld contacts in Honolulu.

AT SAN JUAN, PUERTO RICO

On April 21, 1971, an attempt was made to contact [redacted] at which time it was determined that [redacted]
[redacted] Through general conversation, it was determined from [redacted] that [redacted] was from the [redacted] area.

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CG 92-671

On April 22, 1971 [redacted]

[redacted] advised that [redacted]

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[redacted] stated [redacted] was very outgoing and had a tremendous number of contacts in all places. He made a good impression on anyone he met. He stated he knew a great number of [redacted] acquaintances; however, when displayed a photograph of ETO, [redacted] advised that he had never seen the man and had never heard his name. [redacted]

AT CHICAGO, ILLINOIS

FEDERAL BUREAU OF INVESTIGATION

Date 4/9/71

KEN ETO was contacted in the vicinity of his residence, the Harbor House, 3200 North Lake Shore Drive. He suggested that the conversation be carried on in the restaurant located in the Belmont Hotel, southwest corner, Belmont and Sheridan Roads. ETO furnished the following information:

ETO said he has discontinued all activities that would be considered illegal. He stated that he understands that all the people in the "outfit" have also "packed up".

He said he does not mind talking with a Federal Bureau of Investigation (FBI) Agent about himself but he will not talk about anyone else. He said he no longer owns Bourbon Street. He said he sold it some time ago to the Japanese boys who are now operating it. He said he has owned and sold several taverns in the past fifteen years in Chicago. He continued by stating that he should be glad he gave them away.

ETO said that at the end of April he will be leaving his apartment in the Harbor House and will move into a smaller, less expensive apartment. He said he is going to start a new life from this period of time and everything he does will be legitimize.

Concerning the recent publicity about his trip to Hawaii ETO said that any time he has gone to Hawaii it was only to visit his family. [REDACTED]

ETO said that his involvement with young, white females over the past few years is explained by the fact that he admits being a character. He said he has always enjoyed taking these young, mixed up girls under his wing in an attempt to straighten their lives out. [REDACTED]

[REDACTED]

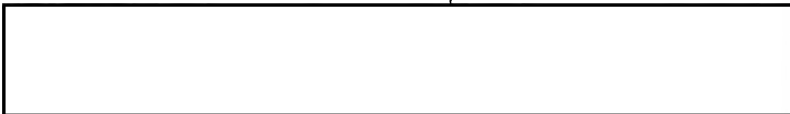
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On 3/30/71 at Chicago, Illinois File # CG 92-671

by SA [REDACTED] jls Date dictated 4/5/71

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CG 92-671



ETO stated that he is supporting five children by
different marriages. 


CG 92-671

JEO/slw

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On [redacted] advised that he knows [redacted] to possess a very bad reputation in the Chinese community. [redacted] and KEN ETO would frequently meet at the Chiam Restaurant. [redacted] according to rumor in the community, is involved in narcotics.

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FEDERAL BUREAU OF INVESTIGATION

Date April 1, 1971

1

[redacted]
[redacted] Chicago, furnished the following information:

He stated he is married to [redacted]
[redacted]
[redacted]

[redacted]
[redacted]
Concerning KEN ETO, [redacted] only knows him on a social basis from cabereting on Rush Street. Also, [redacted] worked for ETO at the Den, 44 East Walton. [redacted]
[redacted]
[redacted]

[redacted] is described as follows:

Name:
Sex:
Race:

Height:
Weight:
Date of birth:
Place of birth:
Brothers:

Sisters:

On 3/24/71 at Chicago, Illinois File # CG 92-671

by SA [redacted] and SA [redacted] Date dictated 3/29/71

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FEDERAL BUREAU OF INVESTIGATION

Date April 1, 19711

[redacted] was contacted at her place of business [redacted] in Chicago. She furnished the following information:

[redacted] About that time, a Japanese Restaurateur decided to open a Benihana's of Tokyo which is now in operation and doing well in Chicago.

[redacted] At that time she was associated with [redacted]

[redacted] she met KET ETO who she then knew as "JOE MONTANA." ETO would come late in the evening to fool with the waitresses and she would chase him away.

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[redacted]

[redacted] She concluded by saying she never accepted any money from KEN ETO, [redacted]

[redacted]

On 3/25/71 at Chicago, Illinois File # CG 92-671

by SA [redacted] Date dictated 3/29/71

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FEDERAL BUREAU OF INVESTIGATION

Date 4/15/71

At 8:30 P.M. [redacted]

[redacted] was contacted at his place of employed, Heritage Cadillac, Roosevelt Road, Lombard, Illinois. He stated that on October 26, 1970, a white female known to him as [redacted] purchased a 1970 Cadillac for \$7,512.50. cash and traded in a 1968 Oldsmobile Toronado which she was allowed \$2,000 for. He said one of the unusual things about this negotiation was that the car was paid for in cash. She paid the entire amount in \$10 bills.

[redacted] viewed a photograph of KEN ETO taken in April, 1970, by the Chicago Police Department, which [redacted] advised as the oriental male who accompanied [redacted] when she first came to purchase the cadillac. He said he did not have any conversation with ETO and he just seem to stand by and take little participation in the purchase of the car. [redacted]

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[redacted] resides at [redacted]

[redacted] and has telephone number [redacted]

On 4/5/71 at Lombard, Illinois File # CG 92-671SA [redacted]
SA [redacted]b6
b7cby [redacted] Date dictated 4/9/71

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.



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On [redacted]

[redacted] telephone number [redacted] advised that he knows the subject by reputation and the subject's [redacted]. He advised that [redacted] is a front man for ETO, and he has frequently seen the two together at [redacted] office. By overhearing conversations between ETO and [redacted] at [redacted] office, he knows that ETO owns Bourbon Street, Inc., and stated that [redacted] was recently [redacted] [redacted] boasting about the million dollar venture in the redevelopment of the Brewster House, corner of Pine Grove and Diversey in Chicago.

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On [redacted]

[redacted] was contacted in the Rush Street area of Chicago. He furnished the following information:

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He advised that he was born [redacted]
[redacted] He now resides at [redacted]
and has telephone number [redacted] He said that he is

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b7C

_____ He advised that he has met KEN ETO but is not involved with him or the "outfit."

- 16 -

[REDACTED]

[REDACTED]

On May 4, 1971, [REDACTED] stated
[REDACTED] is living at

On May 3, 1971, VIVIAN FOSTER, Harbor House,
Chicago, Illinois, advised that ETO moved on April 28,
1971.

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b7D

On [REDACTED] advised that DOMINICK
DI BELLA is driving ROSS PRIO about. They both met
with KEN ETO on the Illinois Tollway plaza around Liberty-
ville, Illinois in late April of 1971. ETO is driving
a 1971 dark Ford Thunderbird with license LP 531.

On May 7, 1971, [REDACTED]
Harbor House, 3200 North Lake Shore Drive, Chicago,
Illinois, advised that ETO resided with [REDACTED]
[REDACTED] for the last three weeks at
that apartment house. [REDACTED]

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[REDACTED] knows a young Puerto
Rican who used to visit ETO at his apartment frequently.
He advised that this was the only individual who ever
visited ETO at the apartment. He does not recall this
Puerto Rican's name but will attempt to find out same
and determine ETO's current whereabouts.



In Reply, Please Refer to
File No. 92-671

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

MAY 25 1971

Title	KEN ETO
Character	ANTI-RACKETEERING
Reference	Report of Special Agent dated and captioned as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 8/31/71	INVESTIGATIVE PERIOD 4/30/71 - 8/17/71
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY kml
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [REDACTED] 5/25/71.

- P -

LEADCHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities.

ADMINISTRATIVE

It is noted that the investigative period of this report overlaps that of referenced report. This is caused by receipt of information from auxiliary offices after preparation of referenced report.

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED <i>B/roc</i>						SPECIAL AGENT IN CHARGE		
COPIES MADE: ③ - Bureau (92-7319)						DO NOT WRITE IN SPACES BELOW		
1 - USA, Chicago						92-7319-37		
1 - Attorney in Charge, Chicago Field Office SHELDON DAVIDSON						22 SEP 2 1971		
2 - Chicago (92-671)						REC-32		
Dissemination Record of Attached Report						NOTATIONS		
Agency	1 - CC, AAG, Criminal Division,							
Request Recd.								
Date Fwd.	Organized Crime and Racketeering							
How Fwd.	Section, Room 2744							

58 SEP 10 1971

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, Chicago
1 - Attorney in Charge, Chicago Field
Office, SHELDON DAVIDSON

Report of: SA [REDACTED]
Date: 8/31/71

Office: Chicago

Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis: Subject now residing Travelodge, 5201 North Sheridan Road.
Subject detained by Chicago Police Department 6/30/71. ETO
present at sale of Taco-Si Corporation. [REDACTED]
interviewed at New York, New York.

- P -

DETAILS: AT SUPERIOR, WISCONSIN.

CG 92-671

AT HONOLULU, HAWAII

On May 28, 1971, [redacted] Special Intelligence Squad, Honolulu Police Department (HPD), advised Special Agent (SA) [redacted] that investigation by his office determined that KEN ETO had come to Honolulu in 1970 to attend [redacted]

[redacted] At that time ETO was accompanied by three members of a Japanese family who reside in Kona on the Island of Hawaii. All three were jockeys, one living in Chicago, one living in Miami and one in California. The visit of ETO was very short, only two or three days.

[redacted] said members of his squad had talked to [redacted] [redacted] advised to his knowledge [redacted] has no information to contribute to the substance of this investigation.

SA [redacted] has attempted to contact [redacted] [redacted] but he is presently on vacation.

AT LOS ANGELES, CALIFORNIA

The following investigation was conducted by SAs [redacted]

On April 30, 1971 [redacted] Jess Rand Associates, Union Bank Center Building, 9460 Wilshire Boulevard, Suite 624, was contacted concerning his knowledge of the subject.

[redacted] the name KEN ETO was not familiar to him, nor, in fact, could he recall that he knew any Orientals, particularly anyone residing in the Chicago area.

[redacted]

CG 92-671

[REDACTED]

Several efforts have been made to contact [REDACTED]
[REDACTED]
who is the subscriber to telephone number [REDACTED]
Additional efforts will be made to contact and interview
[REDACTED] by the Los Angeles Office.

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AT SPRINGFIELD, ILLINOIS

By letter received June 5, 1971, the Springfield Division reported that the following investigation was conducted by Investigative Clerk (IC) [REDACTED]

[REDACTED] Drivers License Section, Secretary of State, Springfield, Illinois, advised on April 19, 1971, that a check of records reflects the following:

Driver's License No. [REDACTED] issued
January 26, 1968, to [REDACTED]

[REDACTED]
License expires May 24, 1971, and describes
him as [REDACTED] date of birth [REDACTED]

[REDACTED] address [REDACTED]

changed to [REDACTED]
Illinois, occupation [REDACTED] Address [REDACTED]

changed July 8, 1969, to [REDACTED]
[REDACTED] Conviction dated September
22, 1970, reflects [REDACTED]
[REDACTED]

Driver's License No. [REDACTED] issued
April 24, 1970, to [REDACTED]

[REDACTED] License expires
October 19, 1972, and describes him as [REDACTED]

[REDACTED] date of birth [REDACTED]
[REDACTED] Social Security Number [REDACTED]

[REDACTED] no stops and no restrictions,
place of birth, [REDACTED]

CG 92-671

Driver's License No. [redacted] issued
June 2, 1970, to [redacted]

[redacted] Chicago, Illinois. License
expires May 21, 1973, and described her as
[redacted] date of birth [redacted]
[redacted] Social Security No.
[redacted] no stops and no restrictions,
place of birth [redacted]
former addresses [redacted]
[redacted]

AT HONOLULU, HAWAII

On June 9, 1971, [redacted] Special Intelligence
Squadron, HPD, advises SA [redacted] that KEN ETO had
visited Honolulu in June, 1969, for one week where he stayed
at the Ilikai Hotel and went sightseeing around the island of
Oahu. He again visited Hawaii in July, 1970, at which time
he was accompanied by three jockeys whose family reside on
the island of Hawaii, and ETO spent all but three days on
the island of Hawaii fishing. [redacted]

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[redacted] advised that the above information was
obtained from [redacted]
[redacted] that the
only comment ever made concerning gambling in Honolulu by
ETO was to the effect that the take in Honolulu was too small.

Records of the Honolulu Office and the HPD contain
no reference to [redacted] mentioned
above.

CG 92-671

AT CLEVELAND, OHIO

CV 92-2002

MVH:mah

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The following investigation was conducted at Cleveland, Ohio:

A review of the current Cleveland area street directories concerning [redacted] Ohio, failed to locate any lead for [redacted] or [redacted] [redacted] or [redacted]

Computer inquiry through the Bureau of Motor Vehicles, Columbus, Ohio, July 15, 1971, failed to locate any entry for a drivers license issued to [redacted] residing anywhere in the Cleveland, Ohio area.

A review of the records of the Identification Bureau, Cleveland, Ohio Police Department, July 16, 1971 by [redacted] [redacted] failed to locate any entry of an arrest or any other activity necessitating maintaining fingerprints for KEN ETO, JOE MONTANA, [redacted] or [redacted]. In addition, no record was located for [redacted] Date of birth [redacted]

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A review of the General Records Division, Cleveland, Ohio Police Department on July 16, 1971 by Officer [redacted] failed to locate any entry for [redacted] or [redacted] date of birth [redacted]

The records of the Identification Bureau, Cleveland, Ohio Police Department were also searched on July 16, 1971 for [redacted] date of birth [redacted] with negative results.

The records of the General Records Section of the Cleveland, Ohio Police Department listed the following traffic citations for [redacted] date of birth [redacted]

CG 924671

AT CHICAGO, ILLINOIS

On May 18, 1971, [redacted] Harbor House, 3200 North Lake Shore Drive, advised that KEN ETO has moved out and his apartment has been rented to [redacted] who purchased some of ETO's furniture. b6 b7C

On May 24, 1971, [redacted] Commonwealth Edison Company, advised that since October 1, 1970, an electric bill has been sent to [redacted] at [redacted]

On May 25, 1971, inquiry with the Postal Inspector's Office, Chicago, revealed they had no forwarding address on KEN ETO at 3200 North Lake Shore Drive.

On June 14, 1971, a 1971 black Ford Thunderbird bearing 1971 Illinois license LP 531 (registered to KEN ETO) was observed parked in front of 3200 North Lake Shore Drive at 1:30 pm. b6 b7C

[redacted] Harbor House, Supra, advised KEN ETO had just been in her office discussing his electric bill and security deposit. She said she had no additional information to furnish.

On June 21, 1971, [redacted] 3200 North Lake Shore Drive, advised [redacted] is no longer employed at the Harbor House. He stated he could not furnish any information concerning KEN ETO.

On June 21, 1971, [redacted] telephone [redacted] advised after viewing a photograph of KEN ETO that she did not know the man. She stated she has seen the woman who lives on the second floor about twice. She stated she lives there with another young man who appears Oriental and is approximately 25-30 years of age. He drives a Ford ranch wagon, black in color, license [redacted] and she drives an old Chrysler, license [redacted]. The building is owned by [redacted] who works for [redacted] (Records of the [redacted])

CG 92-671

Secretary of State indicate 1971 Illinois license LX 668 is registered to [redacted]

[redacted] on a 1970 Ford. [redacted] is registered to [redacted] on a 1969 Chrysler).

On June 30, 1971, [redacted] Intelligence Division, Chicago Police Department, advised that officers of his unit stopped KEN ETO for questioning and determined he is residing in the Motor Lodge Motel, 5201 North Sheridan Road. He further advised ETO has been seen going to Caliendo's, formerly Taco-Si, Inc., in Skokie, Illinois. [redacted] also said that on June 28, 1971, ETO was observed in the company of a young man, [redacted]

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On [redacted] advised that KEN ETO has been saying he is out of the Bolita racket due to pressures from the Federal and local law enforcement agencies. ETO also said he does not control any night clubs in Chicago. [redacted] concluded by stating he believes ETO is attempting to give a false impression because he continues to exhibit monetary wealth, though he is involved in no legitimate enterprises.

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On [redacted] advised that the following are a list of employees and their 1968 telephone numbers at Bourbon Street, Inc., 900 block of North Rush Street:

Name

Entertainer

Number

--	--	--

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CG 92-671

Name

Regular Employee

Number

b6
b7C

--

[redacted] also advised ETO has account #50237434 with Rothchild and Company, Chicago, Illinois.

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[redacted] advised that the following is a list of ETO family members:

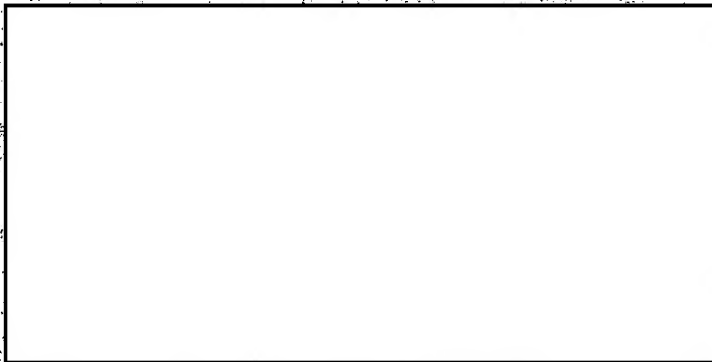
1. MAMORU ETO, Father, born Taketa, Oita-Ken, Japan, entered United States 1917
2. KURA TADA, Mother, born about 1900 Oita-Ken, Japan, entered United States 1918, died Japan 1942

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CG 92-671

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- 10.
- 11.



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Source continued by stating that in 1967
[redacted] Social Security Number [redacted] was
employed by [redacted] Chicago.



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Source advised an individual
who could perhaps furnish information concerning ETO was
[redacted]
[redacted] Chicago.

FEDERAL BUREAU OF INVESTIGATION

Date 7/20/71b6
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[redacted]
[redacted]
[redacted] Chicago, Illinois, furnished the following
information:

[redacted]

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Concerning KEN ETO, [redacted] knew
him as MONTANO JOE. He said in 1967 or 1968, he [redacted]

CG 92-671

92-887

92-917

On 7/13/71 at Chicago, Illinois

File #

SAs

and

by [redacted] JEO/pmtDate dictated 7/14/71b6
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2
CG 92-671
92-887
92-917

to ETO to be used at his lounge at 44 East Walton or Bourbon Street. When he called to encourage more rapid payment, ETO became very abusive and threatening. He said he knows that ETO has clubs in the Rush Street area of Chicago. He said he had no other information that he could furnish at this time concerning ETO.

Concerning [redacted] is one
of his best customers. [redacted] is operating [redacted]

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[redacted]

CG 92-671

On August 12, 1971, [REDACTED]
Supra, was recontacted at which time she had no information
to furnish. --

On August 2, 1971, [REDACTED]
Travelodge, 5201 North Sheridan Road, telephone 334-5600,
advised ETO is residing in Room 232 and pays \$180.00 a
month. At this time ETO was observed driving into the
parking lot in his aforementioned Ford Thunderbird.

On August 17, 1971, KEN ETO was observed at
about 9:00 pm by SA [REDACTED] exiting 44 East
Walton Street, crossing Walton and embracing [REDACTED]
[REDACTED] ETO walked directly to Augustino's, State and
Delaware Place.



In Reply, Please Refer to
File No. **92-671**

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

CHICAGO, ILLINOIS

August 31, 1971

Title **KEN ETO, aka**

Character **ANTI-RACKETEERING**

Reference **Chicago report of Special Agent**
[redacted] dated August 31, 1971

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b7c

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 11/19/71	INVESTIGATIVE PERIOD 8/16/71 - 11/8/71
TITLE OF CASE KEN ETO		REPORT MADE BY [REDACTED]	TYPED BY rrs
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA **[REDACTED]** dated 8/31/71.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
CON VIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED <i>[Signature]</i>					SPECIAL AGENT IN CHARGE			DO NOT WRITE IN SPACES BELOW
COPIES MADE: 3 - Bureau (92-7319) 1 - USA, Chicago 1 - Attorney in Charge, Chicago Field Office, SHELDON DAVIDSON 2 - Chicago (92-671)					92-7319-38			REC 25 EX-112
					NOV 22 1971			
Dissemination Record of Attached Report					Notations			
Agency					NOV 22 1971			
Request Recd.	CC AAG Criminal Division				STAT SECT.			
Date Fwd.	9/1							
How Fwd.	Original of CRF and Photocopying							
By	60 DEC 1 3 1972 2744							

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CG 92-671

ADMINISTRATIVE

It is noted that the investigative period of this report overlaps that of reference report. This is caused by receipt of information from auxiliary offices after preparation of referenced report.

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The case agent has been assigned to Title III special involving [redacted]
[redacted]

INFORMANTS

Source

Date Contacted

Contacting Agent

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, Chicago
1 - Attorney in Charge, Chicago Field Office
SHELDON DAVIDSON

Report of:
Date:

SA [REDACTED]
11/19/71

Office: CHICAGO

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Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis:

[REDACTED]
[REDACTED] ETO
associates with [REDACTED] Chicago area.
ETO has travelled to Hawaii with [REDACTED] Subject
now residing 5451 Northeast River Road, Chicago,
Illinois.

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DETAILS: AT [REDACTED]

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CG 92-671

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AT CHICAGO, ILLINOIS

On September 15, 1971, SA [redacted] and Illinois Bureau of Investigation (IBI) Agent [redacted] contacted [redacted] at Hawthorn Race Track, Cicero, Illinois.

IBI Agent [redacted] advised that he was looking into an alleged horse race fix by [redacted] advised that sometime in August [redacted] rode a particular horse three or four times. In the first two or three races the horse ran poorly, but in the last race it won with odds 13 to 1. Also, just before post time 60 \$50 tickets were purchased by one individual [redacted] advised that race track stewards reviewed films of all the races and judged that [redacted] held the horse back in all but the last race.

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[redacted] at time of contact, advised he knew ETO [redacted] is described as follows:

CG 92-671

AT CLEVELAND, OHIO

The following information was received from the Cleveland Office:

For information of Chicago, on October 18, 1971, [redacted] Parma, Ohio Police Department, was contacted for any information he may have concerning [redacted] or [redacted] who reportedly formerly resided at [redacted] Cleveland, Ohio.

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[redacted] advised that neither name was familiar to him and further advised that upon checking the records of the Detective Division and the General Records of the Police Department he could find no entry for either [redacted]

On October 19, 1971 [redacted] Records Clerk, Westlake, Ohio Police Department, advised SA [redacted] that the records of her department contain no entry for [redacted]

For information of Chicago, [redacted] is located in [redacted]

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AT CHICAGO, ILLINOIS

On [redacted] advised that KEN ETO is planning to move in the near future and will reside at 5451 Northeast River Road, Chicago, Illinois 60656.

On [redacted] advised SA [redacted] that KEN ETO no longer frequents the Rush Street area as in the past, however, he has a girl friend and her sister who are now working as [redacted] The girl friend is an attractive girl in her early 20's.

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CG 92-671

On November 8, 1971, Agent [redacted] of the Illinois Bureau of Investigation, advised that his investigation of [redacted] has come to a standstill in that ALEXANDER MC CARTHY of the Illinois Race Track Commission, does not feel he could remove [redacted] from racing.

On [redacted] of the Chicago Office, now an agent with the Bureau of Narcotics in Chicago, advised that KEN ETO about a month ago met with one of the Negro leaders of the Windy City Policy Wheel and received a package that appeared to be currency in the vicinity of the Farm in the City, operated by the Lincoln Park Zoo in the vicinity of Lincoln Park and Webster Street.



In Reply, Please Refer to
File No. **CG 92-671**

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois
November 19, 1971

Title **KEN ETO**

Character **ANTI-RACKETEERING**

Reference is made to Chicago report
of Special Agent [redacted]
[redacted] dated and captioned
as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 3/27/72	INVESTIGATIVE PERIOD 1/28/72 - 3/15/72
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA 	TYPED BY d1f
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA dated 1/26/72.
Chicago airtel to Los Angeles dated 3/7/72.

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LEAD:CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE: ③ - Bureau (92-7319) 1 - USA, Chicago 1 - Attorney in Charge, Chicago 1 - Field Office, SHELTON DAVIDSON 2 - Chicago (92-671)		92-7319-40 REC 43 12 MAR 31 1972

Agency CC. AAG. Criminal Division	Notations STAT. SECT.
Request Recd.	
Date Fwd. Organized Crime and Racketeering	
How Fwd. Section, Room 2200	
By	

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATIONb6
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Copy to: 1 - USA, CHICAGO
1 - AIC, CHICAGO FIELD OFFICE, SHELDON DAVIDSON

Report of: SA [REDACTED]
Date: 3/27/72

Office: CHICAGO

Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

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Character: ANTI - RACKETEERING

Synopsis: Illinois Bureau of Investigation investigating alleged ownership by subject of International Village Apartments. ETO associating with [REDACTED] ETO alleged control of Institutions International, Incorporated, 7625 N. Austin Avenue, Skokie, Illinois. Subject arrested at Chicago by PD on 2/10/72, and released. ETO has 1972 Illinois license LX-682071, Ford T-Bird.

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DETAILS:AT CHICAGO, ILLINOIS

On 1/28/72, [REDACTED] Illinois Bureau of Investigation, advised he is conducting an investigation of ETO's ownership of International Village on a basis of information furnished by the Federal Bureau of Investigation (FBI), obtained by [REDACTED]

[REDACTED] advised that a subpoena was served on [REDACTED]

[REDACTED]
and they have been subpoenaed.

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CG 92-671

[redacted] Intelligence Unit, Chicago Police Department, advised on February 10, 1972, that KEN ETO was arrested for investigation on February 10, 1972, and shortly thereafter released. ETO was in the company of [redacted] at 7625 North Austin, Skokie, Illinois, which is a food processing company.

[redacted]

On February 11, 1972, the following information concerning KEN ETO was furnished by [redacted]

ETO ate dinner alone at the Hashakin last Sunday and Monday. Several months ago he was dating a 21 year old girl of Irish decent.

ETO has taken control of Caliendo's Finer Foods, 7625 North Austin, Skokie, Illinois [redacted] [redacted] was forced out of the business by ETO and lost \$20,000. [redacted] said that when visiting Caliendo's he has seen ETO wearing a meat smock.

Source said that early in February, 1972, at about 10:00 a.m., ETO was at the corner of Belden and Lincoln Park West, standing in front of the Webster Hotel.

ETO is frequently in the company of [redacted] white male, 5'5" tall, 220 pounds, owner of an [redacted] Source characterized [redacted] as a "pimp". Source said that [redacted] furnished the phone number of some of "his girls" as follows:

[redacted]

Source said that [redacted]

[redacted] was formerly [redacted]

CG 92-671

Under former management, a number of suits and judgments were filed against Taco-Si, Incorporated, (former name) and Institutions International, Incorporated. On October 8, 1971, [redacted] stated all litigation has been settled by present management and submitted photostatic copies to substantiate.

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Manufactures frozen foods. Sells to institutions, United States government, hospitals, chain stores and dealers. Is also engaged in school feeding program. Territory covers continental United States. Sells for cash, sells on 30-day terms. Fifteen employees including officers. LOCATION: Owns 8,000 square feet, one-story brick building in good condition, located in industrial district. Premises neat.

On March 15, 1972, [redacted] (Supra) furnished the names and telephone numbers that were on the person of KEN ETO when he was arrested on 2/10/72. The check of the records of public source of the Illinois Bell Telephone Company revealed that the telephone numbers on his possession were numerous telephone numbers of original crime figures in the Chicago area. The numbers on his person were of the following location:

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Number

Subscriber

225-9044

Dragon Q, Incorporated
202 West Cermak,
Chicago, Illinois
Tyler & Hippach Glass
Globe Glass & Trim
1880 West Fullerton,
Chicago, Illinois

278-6900

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CG 92-671

Number

Subscriber

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394-1880

Rossi Quality Foods
1775 Rohlwing,
Rolling Meadows, Illinois
Alferno's Restaurant
2916 North Broadway,
Chicago, Illinois

528-9165

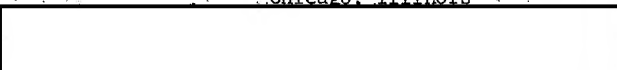


956-1433

Crane Rentals
420 Lively,
Elk Grove Village, Illinois
Finley-Hutchins, Incorporated
7033 North Kedzie,
Chicago, Illinois
A G & B Distributors
5959 South Lowe,
Chicago, Illinois

973-1143

487-8600



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CG 92-671

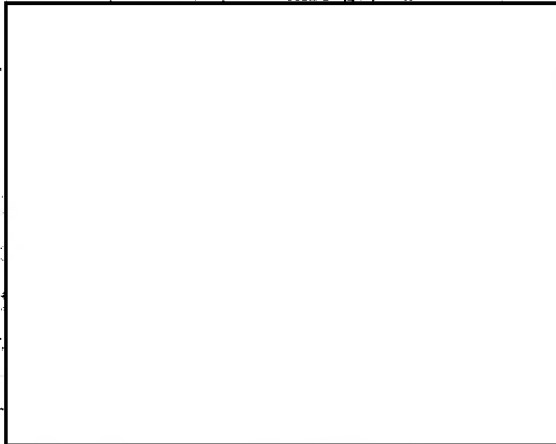
Number

Subscriber

743-9367

Uptown Judo Club
2235 West Devon,
Chicago, Illinois

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276-2313

Grand Egg Company
1426 North Springfield Ave.
Chicago, Illinois
Hospital Employees Labor
67 West Division,
Chicago, Illinois

642-3151



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CG 92-671

Number

Subscriber

[Redacted]

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656-9709

Wittek Mfg. Company
4910 25th Place,
Cicero, Illinois

[Redacted]

[Redacted]

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247-7297

ANGER FORD
4325 South Artesian,
Chicago, Illinois

[Redacted]

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437-4676

Rossi Quality Foods, Inc.
1775 Rohlfing,
Rolling Meadows, Illinois

[Redacted]

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CG 92-671

Number

Subscriber

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363-9393

Coin Phone

ETO also had out-state phone numbers in his possession and other offices are investigating the subscriber.

On March 15, 1972, spot check in the vicinity of the subject's residence, 3451 North East River Road, revealed that he is driving a 1971 black T-Bird, 1972 license LX-6820.

On March 15, 1972, records of the Illinois Bell Telephone Company revealed that telephone number [redacted] is listed at [redacted].

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Records of the Chicago Office revealed that [redacted]



In Reply, Please Refer to
File No. CG 92-671

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
March 27, 1972

Title KEN ETO

Character ANTI - RACKETEERING

Reference is made to Chicago report of
Special Agent [redacted] dated and
captioned as above.

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All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 1/26/72	INVESTIGATIVE PERIOD 11/15/71 - 1/17/72
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY ng
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [REDACTED] dated 11/19/71. ³⁸

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LEAD

CHICAGO

AT CHICAGO, ILLI OIS. Will continue to follow and report subject's activities.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
APPROVED <i>RKM</i>						SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE:							
③ - Bureau (92-7319) 1 - USA, Chicago 1 - Attorney-in-Charge, Chicago Field Office, SHELDON DAVIDSON 2 - Chicago (92-671)							92-7319-39 JAN 31 1972 C-102
Dissemination Record of Attached Report						Notations	
Agency	1 - CC. AAG, Criminal Division,					[REDACTED]	
Request Recd.							
Date Fwd.	Organized Crime and Racketeering						
How Fwd.	Section Room 2744						
By 51 FEB 7 1972							

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago
1 - Attorney-in-Charge, Chicago Field Office
SHELDON DAVIDSON

Report of: SA [REDACTED]
Date: 1/26/72

Office: Chicago

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Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

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Synopsis: ETO observed 12/8/71 in Buch Street Area, Chicago. ETO now has telephone number [REDACTED] ETO reported to be associated with one [REDACTED] ETO alleged to have involvement in International Village, Schaumburg, Illinois.

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DETAILS:AT CHICAGO, ILLINOIS.

On [REDACTED] [REDACTED] advised that [REDACTED] has stated that he is not involved with KEN ETO in his bolita operation.

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On [REDACTED] [REDACTED] advised that on two (2) occasions, KEN ETO was observed at the track with one [REDACTED] in the later part of 1970. [REDACTED] is allegedly handling bolita for ETO in Chicago.

[REDACTED]

92-7319-39

[redacted] KEN ETO was at Manny's Restaurant on December 8, 1971, and complained concerning publicity given him about his association with the Chicago Race Track scandal. ETO complained of problems with the hoodlum element as they apparently are reluctant to trust him in view of such publicity.

At 12:35 P.M., [redacted] telephone number [redacted] telephonically advised that he is a [redacted] and wished to

furnish information concerning KEN ETO, which he felt was of direct concern to the Illinois Racing Board and persons connected with the Illinois race tracks. [redacted] explained that he was aware that the Federal Bureau of Investigation (FBI) had previously furnished information to the Illinois Bureau of Investigation (IBI) concerning the relationship of KEN ETO and a jockey of Japanese or oriental extraction. This was the reason for contacting the FBI in lieu of specific knowledge of the appropriate agency to contact.

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[redacted] stated that he had reason to believe that KEN ETO was the true owner of a major apartment complex known as International Village, located in Schaumburg, Illinois. [redacted] heard there were a number of jockeys residing at the International Village during the past season and also heard some of these jockeys had received rent free accommodations.

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[redacted] stated if this were true it is of vital interest to the Illinois Racing Board and expressed a desire that some kind of inquiry be made to determine whether these allegations were founded.

It was also explained to [redacted] that the FBI was not involved in an active investigation of the Illinois race track situation and that if we had in fact furnished information regarding KEN ETO to the IBI, it was done as a matter of cooperation between law enforcement agencies. [redacted] was told that the

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CG 92-671

information he had furnished would be given to the
IBI or the proper authority handling the investigation
of this matter for any action deemed desirable by them.
[redacted] stated he had no objection to having an
investigative agency handling this matter contact him
for any assistance he could render.

On January 17, 1972, [redacted]
advised that KEN ETO now has telephone number 693-8151
and resides at 5451 Northeast River Road, Chicago.



In Reply, Please Refer to
File No. 92-671

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
January 26, 1972

Title KEN ETO

Character ANTI-RACKETEERING

Reference Reference is made to report of
SA [redacted] dated and
captioned as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE JUN 26 1972	INVESTIGATIVE PERIOD 3/3 - 6/16/72
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY prk
		CHARACTER OF CASE AR	

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REFERENCE: Chicago report of SA [REDACTED] dated 3/27/72.

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LEADSCHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities.

ADMINISTRATIVE

It is noted that the investigative period of instant report predates that of referenced report. This was caused by the receipt of information from an auxiliary office that was not available for inclusion in the referenced report.

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE		ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
							PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

③-Bureau (92-7319)
1-USA, Chicago
1-AIC, Chicago Field Office
(ATTN: SHELDON DAVIDSON)
2-Chicago (92-671)

92-7319-41 REC-3

JUN 29 1972

Dissemination Record of Attached Report	
Agency	CC. AAG. Criminal Division
Request Recd.	
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2744
By	

Notations

MAILED
JUN 29 1972
STAMPED

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GPO : 1971 489-529

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Chicago
1-AIC, Chicago Field Office (ATTN: SHELDON DAVIDSON)

Report of: SA [REDACTED]

Office: CHICAGO

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Date: JUN 26 1972

Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis: Subject resides Apartment 1501 Lamplighter Tower Apartments, 5451 Northeast River Road, Chicago, Illinois. Subject re-opened Downstairs Den as the "Go-Go Spot", 44 East Walton Street. Subject's phone records obtained. Investigation regarding subject's involvement in murders of 3 Puerto Rican males during late 1950's under consideration by Chicago Strike Force. ETO had phone number of FRED B. BLACK of Washington, D.C., on his possession when arrested by Chicago Police 2/72. BLACK is close associate of BOBBY BAKER, former Secretary of the United States Senate. ETO contacted 3/31/72. ETO in past associated with one [REDACTED] notorious confidence man known to most Chicago Japanese-Americans. Efforts continuing to locate [REDACTED]

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b7CDETAILS:

On [REDACTED] advised that KEN ETO has re-opened a go-go lounge in the basement of 44 East Walton [REDACTED]

U.S.A.

On [REDACTED] [REDACTED] advised KEN ETO's close associates, [REDACTED] have applied for a Federal Housing Administration (FHA) loan to cover construction of [REDACTED]

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CG 92-671

gation of the murders of JOSE E. RIOS, September 24, 1957, Chicago, Illinois; EUGENIO LOPEZ, November 19, 1957; and SANTIAGO ROSA GONZALEZ, February 2, 1958, Chicago, Illinois. Mr. DAVIDSON stated he would study the homicide reports and determine whether or not the information would be of assistance to the Federal Government in any investigations of the activities of KEN ETO and his associates, [REDACTED]

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AT WASHINGTON, D.C.

On [REDACTED] advised that telephone #338-5989 is a nonpublished number listed to FRED B. BLACK, JR., 2650 Virginia Avenue, N.W., Room 401.

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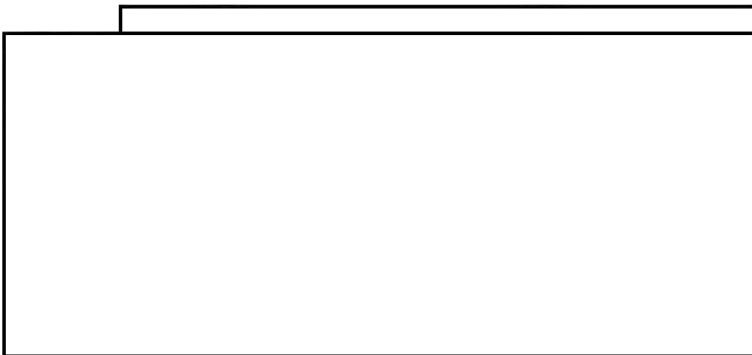
BLACK is well known to WFO as a public relations consultant. In the past, he has been associated with BOBBY BAKER, former aide to LYNDON B. JOHNSON, as well as various Las Vegas casino operators. He was convicted of income tax evasion but this conviction was subsequently set aside by the Supreme Court. He currently has a law suit pending against the FBI and the Sheraton Corporation claiming that his suite at the Sheraton Carlton Hotel, Washington, D.C., was "bugged".

AT LOS ANGELES, CALIFORNIA

The following information was received from the Los Angeles Division in response to a request to check telephone numbers obtained from the possession of the subject by Chicago Police Department in February, 1972:

[REDACTED]

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The records of the Los Angeles Sheriff's Office as checked by SC [redacted] on March 21, 1972, reflect no record in the name of [redacted]

The records of the Los Angeles Police Department as checked by SC [redacted] on April 3, 1972, reflect no record that could be identical with [redacted]

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Without additional identifying data it was not possible to check the name of [redacted] through the Los Angeles Police Department or the Los Angeles Sheriff's Office records.

AT CHICAGO, ILLINOIS

On March 24, 1972, SA [redacted] observed a car parked in front of [redacted]. The vehicle bore 1972 license [redacted]. The vehicle was listed to [redacted] Chicago, Illinois, on a 1972 Cadillac. Another vehicle observed bore 1972 Illinois license [redacted] registered to [redacted] Illinois.

On March 31, 1972, SA [redacted] observed KEN ETO in the basement of 44 East Walton, which was a go-go dance lounge. ETO was in the company of his close associate [redacted]

CG 92-671

SA [] engaged ETO in a conversation at which time it was noted that ETO appeared to have been drinking heavily. ETO advised that the numbers racket, policy racket, and bolita in Chicago were, to the best of his knowledge, conducted in a legitimate business manner as much as any other legitimate business in Chicago. He stated that the rate of return or net profit were no greater than what the Telephone Company.

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CG 92-671

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[redacted]
[redacted]
[redacted] He stated that an individual
who may have knowledge about K N ETO would be
[redacted] a Heisei (Japanese American, second
generation), who is now in [redacted]
is known in Chicago as the Japanese conman.
He has been in trouble in Cleveland, Ohio, etc..

FEDERAL BUREAU OF INVESTIGATION

(1)

Date of transcription 5/12/72

[redacted] was interviewed at
[redacted]
[redacted]

[redacted]
[redacted] had furnished all pertinent information regarding his relationship with KEW ETO when last interviewed by the Federal Bureau of Investigation in September, 1971.
[redacted]

willng to testify in Federal Court regarding his relationship with KEW ETO and his witnessing of the killings of JOE RIOS and JIMMY LOPEZ in Chicago, Illinois.

[redacted] during the killing of JOE RIOS over fifty Puerto Ricans were present. He advised that he could not recall their names [redacted]
[redacted]
[redacted]

also witnessed the killing [redacted] was unaware of [redacted] address in [redacted] area.
[redacted]
[redacted]

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Interviewed on 5/1/72 [redacted]

by SAS [redacted] /rtr 5/4/72
Date dictated

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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CG 92-671

On May 24, 1972, IC [] made inquiry with the Passport Section of the Immigration and Naturalization Service (INS) and obtained no record on []

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On May 12, 1972, SA [] personally advised he received information that KEN ETO parks in spaces #112 and 114 at the Lamplighter Towers in Chicago.

On May 17, 1972, SA [] advised that KEN ETO and [] were observed in a red and white Cadillac Eldorado in Elmwood Park. ETO was driving. [] said the information came from a Police source of his.

On May 24, 1972, IC WILLIAM RANDALL made inquiry with the Veterans Administration in Chicago and received information [] is maintained in St. Louis, Missouri.

AT ST. LOUIS, MISSOURI

On April 26, 1972, [] Field Service Division, Veterans Administration (VA) Records Processing Center, 4300 Goodfellow, St. Louis, Missouri, advised SC [] subject's VA claim folder not located at that facility.

[] stated check of locator files at VA Record Processing Center determined subject's VA claim folder should be located at VA Regional Office, Chicago, Illinois, under []

AT PHOENIX, ARIZONA.

The following investigation was conducted at Tempe, Arizona, by SA []

On April 17, 1972, [] Identification Section, Tempe Police Department, advised that there were no records in the files of that Department regarding []

On April 18, 1972, [] advised that he was the neighbor of [] and that [] had lived in that neighborhood for several months and had been an employee of []

AT CHICAGO, ILLINOIS

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[] advised on May 19, 1972, that he recently receiving information that KEN ETO resides in Apartment 1501 at the Lamplighter Tower Apartments, on the northwest side of Chicago. ETO reportedly pays \$800 a month for a penthouse type apartment and also pays additionally monthly charges for the two reserved parking spaces in the basement of that building. ETO apparently continues travel to Hawaii possibly for ROSS PRIO.

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On [] advised that KEN ETO formerly associated with [] in Chicago. [] is a well known confidence man to the Japanese-American community in Chicago. He was born []

On June 16, 1972, SHELDON DAVIDSON advised he is still considering the murders of the three Puerto Ricans.



In Reply, Please Refer to
File No. CG 92-671

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois

JUN 26 1972

Title KEN ETO

Character ANTI-RACKETEERING

Reference is made to report of SA [redacted]
[redacted] dated and captioned as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE AUG 28 1972	INVESTIGATIVE PERIOD 7/5 - 8/16/72
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA 	TYPED BY jmd
		CHARACTER OF CASE AR	b6 b7c

REFERENCES: Chicago report of SA dated 6/26/72.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities.

ADMINISTRATIVE

Information copies are being sent to Alexandria and WFO inasmuch as those offices are conducting current investigation.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
							PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

- ③ - Bureau (92-7319)
- 1 - USA, Chicago
- 1 - AIC, Chicago Field Office
(ATTN: SHELDON DAVIDSON)
- 1 - Alexandria (92-98) (Info)
- 1 - WFO (92-2283)
- 2 - Chicago (92-671)

92-7319-42	REC-24
EX-104	
AUG 30 1972	

Dissemination Record of Attached Report

Agency	CC. AAG, Criminal Division,
Request Recd.	
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 0744

Notations

- A -
COVER PAGE

CG 92-671

For the information of auxiliary offices, current investigations are being conducted by the Chicago Office involving the subject. Information has been obtained that the subject ascertained control over Caliendo's Finer Foods of Skokie, Illinois. In connection with his involvement with that firm, he allegedly is trying to develop a machine which will give change for fives, tens, twenties, and fifty dollar bills. It is the opinion of the writer that ETO's development of this machine could be the reason for his contacts with the Washington D.C. Area businesses. KEN ETO has induced [redacted] to receive money in Taco Si Corporation. [redacted] advised that current Taco Si is five eighths of a dollar per share.

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[redacted] has stated that he has been in contact with friends in the East concerning ovens to be used in Institutional Food Preparation. The development of these ovens may also be a reason for contact with Eastern interests. ETO and [redacted] also promoted a shoe shining machine. [redacted]

INFORMANTS

<u>Source</u>	<u>Date Contacted</u>	<u>Contacting Agent</u>
[redacted]		SA [redacted]
		SA [redacted]
		[redacted]

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATIONCopy to: USA, Chicago
AIC, Chicago Field Office (ATTN: SHELDON DAVIDSON)b6
b7CReport of: SA [REDACTED]
Date: AUG 28 1972

Office: Chicago

Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis: Subject continues to reside Lamplight Tower Apartments,
5451 Northeast River Road, Chicago, Illinois. Subject
closely associating with [REDACTED]
[REDACTED] Subject as-
sociating with [REDACTED]b6
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- P -

DETAILS:AT CHICAGO, ILLINOIS

On July 5, 1972 investigation at Uptown, DAJO,
2201 West Devon, indicated that it is a Karate and Judo
School. Employees stated owner only there after 7 p.m.

On July 5, 1972, a Japanese-American woman, who
declined to identify herself, was contacted at [REDACTED]
[REDACTED]. A friend of hers use
to own the apartment at 600 West Barry, where KEN ETO
resided about six years ago. Her friend was very up-
set when police raided ETO's apartment and were forced
to kick the door in. [REDACTED]
[REDACTED] She suggested that [REDACTED]
[REDACTED] be contacted
for information on KEN ETO.

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CG 92-671

On July 11, 1972 [redacted]
Cook County, [redacted] Bedford
Park, Illinois, advised that KEN ETO resides in Apartment 1501 at Lamplighter Towers Apartments. He stated he saw ETO in the elevator with an armful of fishing equipment.

On July 11, 1972 [redacted]
Lamplighter Tower Apartments, 5461 Northeast River Road, advised that KEN ETO resides in Apartment 1501 in the building at 5451 Northeast River Road. His apartment has two bedrooms and his rent is \$339 a month. He also pays \$70 a month for parking spots 112 and 114. References on his application was [redacted] telephone number [redacted]. The apartment building and owner for Dicom Corporation says ETO pays his rent on time with cash.

[redacted]

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On July 18, 1972, SHELDON DAVIDSON, Attorney in Charge, Chicago Strike Force, was contacted in regards to KEN ETO's alleged involvement in the building at 500 West Diversey Parkway, and Taco Si Corporation, Skokie, Illinois. He desires that further investigation be conducted and he be kept advised.

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On [redacted] informant furnished the following information:

The Numbers Racket on Chicago's south side is not known as Cadillac Numbers, Apex Numbers, Pari-Mutual Numbers or by any other name other than "Numbers." This form of gambling is controlled by the Orientals for the crime syndicate. The probable number one Oriental

CG 92-671

is KEN ETO. [REDACTED]

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The outfit receives $87\frac{1}{2}\%$ of the gross and the unit men $12\frac{1}{2}\%$. Each unit man is in charge of a group of writers. Out of the Unit man's $12\frac{1}{2}\%$ he must pay the salaries of his employees. All other expenses, including the policy "nut" lawyers fees and fines are paid by the outfit.

Many Numbers players consider this form of gambling as an investment. Unlike policy which is a nickel-dime operation, Numbers betting attracts larger bets, usually of a dollar or more. Many bettors select a number and then bet on this number every day. Bets of \$10.00 per day by such people are not unusual. Once a bettor has several hundred dollars invested on one number he generally does not want to stop betting on this number for fear it will come up as the winning number and the investment will be lost. The pay-off rate is 500 to one.

One of the Unit men is [REDACTED]

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Two other unit men are known to informant as [REDACTED]

CG 92-671

On [redacted] was contacted with Special Agent [redacted] at the time he advised that he has met on many occasions with KEN ETO. He denied that ETO had any involvement in the building at 500 West Diversey Parkway.

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[redacted] advised that KEN ETO and the people at Taco Si are trying to develop a machine that will give change for fives, tens, and twenty dollar bills. KEN ETO is also associated with [redacted]

[redacted] has been frequenting Hashakin Restaurant, 2338 North Clark Street. [redacted] has met with ETO and [redacted] at that restaurant. They utilized the bar located on the second floor of the restaurant.

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On [redacted] telephonically contacted the Chicago Office of the Federal Bureau of Investigation and advised Special Agent [redacted] that [redacted]

On [redacted] age [redacted] who resides at [redacted] telephone number [redacted] was contacted at his place of employment, Caliendo's Kitchen, 44 East Walton. He advised he is working for [redacted] KEN ETO, known to him as JOE, frequently accompanies [redacted] on [redacted]

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CG 92-671

visits to CALIENDO's Kitchen. Both ETO and [redacted] gave him orders concerning display of stock.

On [redacted]

[redacted] resides at [redacted]

and was contacted at her place of business "The Bakery" (well-known Chicago restaurant), 2218 North Lincoln Avenue. She advised that she knows KEN ETO only by reputation. [redacted]

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[redacted] The second floor lounge is used as a sort of "Geisha House." It is also rumored that prostitution and gambling is conducted at that location. Washington D.C., by letter received July 22, 1972, the Washington Field Office, advised that Automated Business Machines, Incorporated, 300 North Lee Street, Alexandria, Virginia, telephone number 703 549-2086, about their public record information:

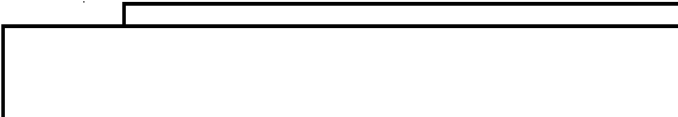
Financing statement number 7771, debtor Automated Business Machines, Inc., secured party; Equilease Corporation, New York City, New York, consideration - NI. Filed March 25, 1972, Alexandria, Virginia, for equipment on lease number 6005491. 5-19 (122 396).

[redacted]
[redacted] declined a financial statement until later [redacted]
[redacted] said that when it is completed, it will be sent.

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Automated Business Machines, Inc., in Virginia Corporation was chartered September 1970. Corporated details have been requested and will be published upon receipt.

CG 92-671



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Automated Business Machines, Inc., retailing and manufacturing company for automatic business machines, employs 13, including the officers. Automated Business Machines, Inc., rents space in this suburban community of Washington, D.C.

CG 92-671

At Tempe, Arizona, the information of Alexandria, ETO is closely associated with [redacted] in Chicago. [redacted]

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At New Orleans, Louisiana, on July 31, 1972, IC [redacted] caused a check to be made of records of Credit Bureau Services and the New Orleans Police Department, New Orleans, Louisiana, regarding [redacted] with negative results. The letter was received August 11, 1972, by the New Orleans Division.

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On [redacted] [redacted] advised he has not had any contact with [redacted] since early spring. He noted that he is unaware of [redacted] current address or telephone number in Chicago. He stated that he recalls vague non-specific references concerning the name KEN ETO and believed that ETO was formerly one of [redacted] boyfriends. [redacted] could not provide any additional information explaining that he has very infrequent contact with [redacted] and is generally unaware of her activities in the Chicago area.

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[redacted] is familiar with KEN ETO who is known to her as JOE ETO, noting that ETO and [redacted] have visited at her residence on several occasions in the past. [redacted] did not think that ETO and [redacted] were currently seeing one another, although adding she cannot be certain of this fact [redacted]



In Reply, Please Refer to
File No.

CG 92-671

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

AUG 28 1972

Title KEN ETO

Character ANTI - RACKETEERING

Reference is made to Chicago report of
Special Agent [redacted] dated
and captioned as above.

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All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.

F B I

Date: 9/13/72

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, ALEXANDRIA (49-NEW) (P)

FRED B. BLACK, JR.
NATIONAL BANKRUPTCY ACT
(OO: ALEXANDRIA)

Investigation of this case previously conducted was carried under the captioned, "KEN ETO, (ANTI RACKETEERING, OFFICE OF ORIGIN : CHICAGO," Bufile: 92-7319.

Investigation at Alexandria, Virginia, has determined the following:

KEN ETO, a well known operative of the Chicago LCN, has funnelled over \$300,000 into Alexandria based companies known as Allied Automation, Incorporated, Automated Monetary Systems, Incorporated, and FRAISER N. JAMES, individually from 1965 through 1968. Much of the money was funnelled through a ETO organized and controlled corporation known as Currency Systems of America, Chicago, Illinois. From 1969 through 1970 FRED B. BLACK, JR., placed over \$100,000 into the companies through various BLACK controlled corporations. The companies were attempting to develop a currency acceptor and changer, and Allied Automation, Incorporated, held the major patent. In December, 1970, Allied Automation, Incorporated filed for voluntary bankruptcy proceedings under Chapter Eight, U. S. District Court, Alexandria, Virginia, Eastern District of Virginia.

- ④ - Bureau
(2 - 92-7319)
2 - Chicago (92-671) (Info.)
2 - WFO (92-2283) (Info.)
3 - Alexandria
(1 - 92-98)
(2 - 49-)

CARBON COPY

WEB: lmm

92-7319 -
NOT RECORDED
165 SEP 19 1972

ORIGINAL FILED IN 49-20064-1

57 SEP 25 1972

Sent _____ M Per _____

Special Agent in Charge

AX 49-New

On 7/6/71, Allied Automation, Incorporated, was sold at a public auction to Currency Systems of America headed by KEN ETO for \$483,000. ETO placed a \$10,000 deposit with the court and was obligated to furnish the remaining balance within 30 days. FRED B. BLACK, JR. was present and bid against ETO for rights of the bankrupt entity at this sale. ETO was unable to complete the agreement and the sale was nullified. On December 7, 1971, Allied Automation, Incorporated was purchased at a public sale by General Tool and Distributing Company, 2650 Virginia Avenue, N. W., Washington, D. C. (Suite 401), headed by FRED B. BLACK, JR., for \$470,000. ETO was present at this sale but tendered no bids.

Alexandria is prepared to prove that FRED B. BLACK, JR., contacted KEN ETO prior to the 12/7/71, sale and offered substantial consideration to ETO to forbear bidding against him in the December, 1971 sale.

The U. S. Attorney's Office, Alexandria, Virginia, has issued a favorable prosecutive opinion and contemplates Grand Jury action against Black for violation of Title 18, Section 152, specifically the section stating, "Whoever knowingly and fraudulently gives, offers, receives or attempts to obtain money or property, remuneration, compensation, reward, advantage, or promise thereof for acting or forbearing to act in any bankruptcy proceeding; shall be fined no more than \$5000 or imprisonment not more than five years or both."

Alexandria believes the testimony of ETO will be necessary and to secure this testimony it may be necessary to offer immunity to ETO for complicity in this specific transaction. It should be noted, however, that this will not preclude action against ETO for violation of IRS statutes or violation of the RICO Statute (Title 18, Chapter 96, Section 1961-1968)

Report will be submitted by 9/25/72.

This case will continue to receive preferred investigative attention .

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ALEXANDRIA	OFFICE OF ORIGIN ALEXANDRIA	DATE 9/21/72	INVESTIGATIVE PERIOD 7/18/72 - 9/21/72
TITLE OF CASE FRED B. BLACK, JR.		REPORT MADE BY SA 	TYPED BY lmm
		CHARACTER OF CASE NATIONAL BANKRUPTCY ACT	

REFERENCE: Alexandria airtel to the Bureau, 9/13/72.

-P-

LEADS

ALEXANDRIA

AT ALEXANDRIA, VIRGINIA. Will continue review of records relating to bankruptcy petitions of Allied Automation, Inc. Automated Monetary Systems, Inc., and FRAZIER N. JAMES, individual

2. At the appropriate time will interview Alexandria, and Virginia, for information regarding BLACK's activities around the time of the November, 1971 bankruptcy sale of Allied Automation, Incorporated.

ACCOMPLISHMENTS CLAIMED				<input type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		
						PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/> NO

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE: 4 - Bureau (2 - 92-7319) 1 - U. S. Attorney, Alexandria (ATTN: AUSA HOPKINS) 1 - Chicago (92-671) (Info.) 1 - WFO (92-2283) (Info.) 4 - Alexandria (2 - 92-98) (2 - 92-283)		92-7319- NOT RECORDED SEP 25 1972
Dissemination Record of Attached Report		Notations
Agency		
Request Recd.		
Date Fwd.		
How Fwd.		
By		

70 OCT 13 1972

COVER PAGE

ORIGINAL FILED IN 49-20664-2

AX 92-98

3. Will maintain contact with the U. S. Attorney's Office in preparation for Grand Jury Action.

ADMINISTRATIVE:

Information suggesting violation of the Federal Bankruptcy Act by FRED B. BLACK, JR., was developed during investigation in the case entitled, "KEN ETO, ANTI RACKETEERING, OO: CHICAGO."

Information copies of this report are being furnished to Chicago and WFO inasmuch as both offices conducted investigation regarding the activities of ETO.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - U. S. Attorney, Alexandria, Virginia
(Attention: Assistant U. S. Attorney DAVID H. HOPKINS)

Report of: SA [REDACTED]

Office: Alexandria, Virginia

Date: 9/21/72

Field Office File #: 92-98

Bureau File #: 92-7319

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Title:

FRED B. BLACK, JR.

Character:

NATIONAL BANKRUPTCY ACT

Synopsis:

KEN ETO, a Japanese American from Chicago, Illinois, has funnelled over \$300,000 into Alexandria based companies known as Allied Automation, Inc., Automated Monetary Systems, Inc., and FRAZIER N. JAMES, individual, from 1965-1968. An ETO organized and controlled operation known as Currency Systems of America was used to facilitate the transfer of money. From 1969 to 1970 FRED B. BLACK, JR. placed over \$100,000 into the companies through various BLACK controlled operations. In December, 1970, Allied Automation, Inc., filed for voluntary bankruptcy proceedings under Chapter, Eight, U. S. Code, in U. S. District Court, Alexandria, Virginia, Eastern District of Virginia. At this time Allied Automation, Incorporated were the major patent holders to a currency acceptor changer. On July 6, 1971, Allied Automation, Incorporated was sold at a public auction to Currency Systems of America headed by KEN ETO for \$483,000. ETO failed to comply with the terms of the sale. FRED B. BLACK, JR., was represented and bid against ETO for rights of the bankrupt entity at this sale. Negotiations for another sale were conducted in November, 1971, with BLACK and ETO both showing an active interest. A sale was held on 11/30/71, and legally perfected on 12/7/71, all rights going to the General Tool and Distributing Company, 2650 Virginia Avenue, N. W., Washington, D. C., headed by FRED B. BLACK, JR., for \$490,000. Investigation disclosed BLACK to have contacted ETO prior to final approval of the November, 1970, sale and offered ETO substantial consideration to forbear bidding against him at the sale. The U. S. Attorney's Office has issued a favorable prosecutive opinion and contemplates Grand Jury action against BLACK.

AX 92-98

PREDICATION

This case was predicated upon the receipt of information suggesting the possible violation of the Federal Bankruptcy Act by FRED B. BLACK, JR.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/19/72

A review of bankruptcy proceedings located in Bankruptcy Court, 206 North Washington Street, Alexandria, Virginia, regarding Allied Automation, Incorporated, 3023 Duke Street, Alexandria, Virginia, disclosed that this corporation filed voluntary bankruptcy proceedings on December 18, 1970, under Chapter 8 of the Bankruptcy Laws.

On July 6, 1971, this company was sold at public auction to Currency Systems Corporation of America for \$483,000. A \$10,000 cash deposit was made to the trustees in bankruptcy [redacted]

[redacted] Alexandria, Virginia, and [redacted] Alexandria, Virginia. Final ratification and settlement was to be made on or before August 6, 1971.

The record further disclosed that on August 6, 1971, Currency Systems Corporation of America partitioned to be released from its bid and for the return of the \$10,000 deposit, due to actions of [redacted] and [redacted]

[redacted] The file contained a motion filed by alleging fraud by FRAZIER JAMES and Currency Systems Corporation of America, and praying that this sale be blocked. After a hearing on this motion, the sale was blocked and the \$10,000 tendered by Currency Systems Corporation of America retained.

On December 7, 1971, Allied Automation, Incorporated was purchased by General Tool and Distributing Company, 2650 Virginia Avenue, North West, Suite 401, for \$470,000.

A review of claims filed against Allied Automation, Incorporated, by alleged creditors of this company include a claim filed on June 8, 1971, for \$20,000 by KEN ETO, 5201 North Sheridan Road, Chicago, Illinois. The Currency Systems Corporation of America also filed a claim on June 8, 1971, for \$103,500. Their address is listed as 1011 West Belmont Street, Chicago, Illinois. Objections were filed by the referees in bankruptcy to both of the claims but at the present time, supporting documents have not been tendered. Due to the fact that General Tool and Distributing Company has until November 30, 1974, to pay the

Interviewed on 7/13/72 at Alexandria, Virginia File # AX 92-98

by SA [redacted] :mew Date dictated 7/18/72

AX 92-98

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\$470,000, the supporting affidavits for the claim by Currency Systems Corporation of America and KEN ETO do not have to be filed until this final date.

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The file further contained a further notation that on June 2, 1971, [REDACTED] Frozen Foods, a division of Taco-Si, Incorporated, Skokie Plant, 7625 Osten Avenue, Skokie, Illinois, tendered a check for \$10,000 toward the purchase of Allied Automation. The file also noted that Frozen Foods has an office in Chicago, but no address was given. The following phone number was the number of the Chicago office, 312-755-7616.

Mrs. DOROTHY WEESE, Clerk, Bankruptcy Section, United States District Court, Alexandria, Virginia, advised that it was her understanding that Frozen Foods tendered the \$10,000 deposit on behalf of the Currency Systems Corporation of America, which is directed by KEN ETO.

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 7/18/72

[redacted] Automated Business Machines, Inc., 300 North Lee Street, Room 200, Alexandria, furnished the following information:

He advised that he had come to know KEN ETO through mutual dealings with several Delaware Corporations headquartered in Alexandria, Virginia. He advised that FRAZIER N. JAMES, married to [redacted] is a local independent inventor. Several years ago he began perfecting a currency acceptor which would change one, five, ten and twenty dollar bills and reject counterfeit bills. Further the device could be used to issue postal money orders. In order to effectively market this patent, companies known as Automated Monetary Systems, Allied Automation and Frazier James, Inc., were formed. KEN ETO was the financial contributor to the formation of these companies and loaned over \$100,000 to each of the corporations in exchange for stock interest. In August, 1971, all of the companies filed bankruptcy petitions. Automated Monetary Systems and Allied Automation filed under Chapter 8, Voluntary Bankruptcy and Frazier James, Inc., filed Involuntary Bankruptcy petition. Sometime after this time public bids were accepted for all of the assets including the right to the patent of the currency acceptor. At this time ETO and his attorney, unknown to [redacted] came to Alexandria, and bid \$490,000 for the purchase of the three bankrupt entities. They posted \$10,000 bond and the remainder of the money to be paid in thirty days. Before the thirty-day period had lapsed [redacted] and other local individuals filed objections to the sale of the bankrupt corporation alleging fraud and conspiracy on the part of FRAZIER JAMES, KEN ETO and others. This sale subsequently was blocked. [redacted] advised that Mr. ETO was extremely upset over this move, due to the heavy investment ETO had in the bankrupted companies. After the sale was blocked, General Tool, Inc., was formed to purchase the assets of the bankrupt companies. FRED B. BLACK, JR., acted as a syndicator in the formation of this company to gather financing. For this, he received a five percent interest. General Tool and Automatic Business Machines, Inc., 300 North Lee Street, Alexandria, Virginia,

Interviewed on 7/12/72 at Alexandria, Virginia File # AX 92-98

by SA's [redacted] and [redacted] WEB:dmp Date dictated 7/14/72

AX 92-98

2
have intermingling corporate structures, and Automated Business Machines is continuing the manufacture and the distribution of the currency acceptor. When the bankrupt entities were purchased by General Tool, the court accepted \$50,000 down payment and the balance of \$470,000 over a three-year period. [redacted] advised that ETO would be coming back to the area regularly because as soon as General Tool has completed the payments for the three bankrupt entities a dissolution of all assets would take place. At this time the lien and claims would be rank and the creditors paid off. Accordingly at this time ETO would be looking to collect his monetary interests in this company.

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[redacted] advised that he is also well acquainted with [redacted]

[redacted]

[redacted] further advised that ETO has been contacting him as an officer of Taco - Qsi Frozen Foods of Chicago, Illinois.

FEDERAL BUREAU OF INVESTIGATION

Date 7/25/72

[redacted]
[redacted] Virginia, furnished the following information:

He is presently a co-trustee in the bankruptcy proceedings of Allied Automation, Inc., Automated Monetary Systems, Inc., and FRAZIER JAMES individually, along with [redacted]. He stated that he first met KEN ETO, when he came to bid upon the assets of the above corporations at a public bankruptcy sale. This was in August, 1971. At this time ETO was accompanied by [redacted]. Two other Japanese American individuals were also present but [redacted] does not recall their names. He stated that at this time ETO had a large amount of cash upon his person which he estimated to be between \$30,000 and \$40,000. He understood ETO to be representing Currency Systems of America, a Chicago based corporation. At this sale in August, ETO did outbid other bidders and placed a \$10,000 deposit with the court at the time of the transaction. This deposit was made in cash.

[redacted] advised that he is aware that ETO has claims ranging between \$20,000 and \$30,000 against Allied Automation, Automated Business Machines and FRAZIER JAMES individually, petitioning as a creditor of the bankrupt entities. He is also aware that Currency Systems of America claims over a \$100,000 interest in each of the entities. He stated that however, supporting documents have not been filed by either ETO or Currency Systems of America and no payment would be made unless such claims were filed.

In order to understand the present status of the corporate structure of the three bankrupt entities [redacted] explained that previous to August, FRED B. BLACK of Washington, representing General Tool Company had approached [redacted] in the bankruptcy and arranged for the sale of all of the entities for \$80,000.

Interviewed on 7/18/72

at [redacted]

File # AX 92-98

by SA [redacted] :dmp

Date dictated 7/19/72

AX 92-98

[redacted] himself objected believing the price to be too low and the sale was not culminated. He stated, however, he does not believe there was any wrongdoing on the part of [redacted] but only that he made a mistake in the appraisal of the corporate values. After this, the ETO group did buy the rights to the bankrupt entities and after placing the \$10,000 deposit had thirty days to secure the remainder of the cash. Actually thirty days from this date of placing the deposit [redacted] and [redacted] filed an objection to the proposed sale on the basis of fraud by Currency Systems of America and FRAZIER JAMES individually. At this time neither currency nor ETO answered these charges and another public sale was held in which General Tool headed by FRED B. BLACK purchased the three bankrupted entities and all rights owned by them for \$470,000. [redacted] stated that he heard from reliable sources that ETO had attempted to gather the money and had shown up on the last of the thirty-day period and allegedly had the remainder of the \$480,000 which he had secured from the Teamsters Union in Chicago, as a loan. However, when the teamsters learned that an objection had been filed and fraud alleged they would not allow their money to be used in this way and ETO could not complete his agreement.

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[redacted] advised that since these transactions ETO has been actively attempting to have the \$10,000 deposit placed by him refunded. He also has heard through members of the Bar and Businessmen that General Tool and FRED BLACK had made a deal with ETO not to bid in the sale at which time General Tool purchased the rights to the three entities. In return for this, BLACK agreed to give ETO the \$10,000 back when the bankruptcy matures and the other creditors paid. There was also other consideration involved but [redacted] has not heard the amount. [redacted] believes therefore, that neither ETO or Currency will ever attempt to substantiate their claims against the bankrupt entities. He has no idea as to the foundation of their claims and advised that this would not be of record at this time.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/2/72

Mr. FRAZIER JAMES, 4105 Duke Street, Suite 205, Alexandria, Virginia, furnished the following information:

He advised that he first became acquainted with KEN ETO in 1965, when he met ETO through his son at a trade show in Florida. The theory of currency acceptors that FRAZIER JAMES was working to perfect and patent were explained to ETO. He became very interested in this and financially arranged for JAMES to come to Chicago, to demonstrate his invention and explain the progress made to date. JAMES took this to Chicago, and demonstrated it to a group of individuals assembled by ETO. The only other persons that he knows to be present at that time was [redacted]. He believes an individual by the name of [redacted] was present but is not sure. Approximately two weeks after this ETO called him and advised him to begin full scale research and development that financing would be provided by ETO and his group. ETO stated, however, he wanted no records made of the investment and everything would be in an oral manner. Further, he told JAMES never to disclose the source of the money to anyone. From 1965, to 1968, ETO would fly to Washington, once every month to six weeks. During this time he made regular payments to JAMES and over the three year period invested approximately \$250,000 in cash in the development of the patent. At this time the company was known as Automated Monetary Systems. Payments at all times were in cash by ETO on [redacted]. In 1968, ETO came to JAMES and advised that he was having serious financial problems in Chicago, and was unable to support the company. He made no demand for back payments and did not want a stock interest because he still did not want his identity or the source of past investments to become public. At this time Automated Coin and Currency was syndicated by [redacted] and also heavy investment was made by the Mason Group, a group of Norfolk investors. From 1968 to 1970, Automated Coin and Currency and the Mason Group invested approximately \$500,000 in the company. At the beginning of this, Automated Coin and Currency and Allied Automation had been formed. Allied Automation was to serve and protect the investments of the Mason Group. There was serious corporate management problems during these two years and in 1970, the companies

Interviewed on 7/25/72 at Alexandria, Virginia File # Alexandria 92-98

by SA [redacted] Date dictated 7/30/72

finally went into bankruptcy. At this time FRED B. BLACK, JR., of Washington, D. C., became interested. JAMES stated that BLACK approached [redacted]

[redacted] and arranged to purchase the asset of the company for \$80,000. Mr. JAMES thought this figure to be highly out of line as the company was reported to be valued between \$5,000,000 and \$6,000,000 and a normal bankruptcy proceeding brings at least ten cents on the dollar which would place the figure around \$500,000. He firmly believes BLACK to have paid off [redacted] to get him to assent to the sale of the assets for \$80,000. An objection was made by [redacted]

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[redacted] This objection was noted and the sale was blocked. Following this, a public sale was held at which time ETO and BLACK bid against each other for this property. ETO bid the property up and purchased it for \$490,000. He placed \$10,000 cash down at this time and had thirty days to secure the remainder of the money. After this BLACK contacted ETO and told him to stay out of the proceedings or he would bring pressure against him. ETO flew into Washington, D. C., and he, BLACK, and FRAZIER JAMES went to the office of [redacted] at which time [redacted] informed BLACK that he was going to stay out of this and would bring no pressure against ETO. ETO allegedly had secured a loan from the Barbers Union or a Teamster Union in Chicago, for the remainder of the \$490,000, however, during this time an investigation was launched by the Federal Bureau of Investigation in Chicago, because it had been alleged that ETO had made a pay-off to the Union Business Agent to secure the loan. This loan, therefore, was blocked. FRED BLACK then formed General Tool and Distributing Company of 2650 Virginia Avenue, Washington, D. C., and purchased the assets of Allied Automation, Automated Coin and Currency, and FRAZIER JAMES individually for \$473,000.

Mr. JAMES advised that he strongly suspects BLACK to have paid off numerous individuals who had interest in the bankrupt companies as over \$700,000 had been invested since 1965. He advised that there were several very serious questions of management which in his experience would support a successful

AX 92-98

stockholders derivative suit to protect the interest of the stockholders namely the members of the Mason Group. He stated he had heard, however, when any of the individual stockholders made any objection that BLACK immediately contacted them and paid them off. He also believes that BLACK has contacted ETO and agreed to return the \$10,000 deposit he originally posted and to give ETO an interest in the corporation as it now stands which is a combination incorporate structure between General Tool and Distributing Company and Automated Business Machines, Inc., of 300 North Lee Street, Room 200, Alexandria, Virginia. By doing this BLACK has eliminated all competition in any future bidding. The next payment by Automated Business Machines which now has the legal interest in the bankrupt company which it acquired from General Tool and Distributing is due in November of 1972, and is a payment of \$146,000. JAMES believes that this payment will not be made and another public sale will be held. Because BLACK has paid ETO to stay out of it and also other interested individuals, it is believed that the bankrupt entities can be purchased at the next public sale for a figure far less than Automated Business Machines and General Tool agreed to pay for the company at the lowest sale.

Mr. JAMES is certain that the companies will never exist and that the individuals involved, primarily FRED BLACK, will milk the proceeds of the bankruptcy. He personally knows and individual heading a company known as Broach Systems, Inc., where BLACK totally destroyed the corporate structure. The individual heading this company is [REDACTED]

[REDACTED] telephone number [REDACTED] or [REDACTED] He stated BLACK also has heavy investments in a company known as Florida Coin, Inc., but he does not know their present address. He stated that a major portion of BLACK's financing comes from [REDACTED]

or

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription August 30, 1972

[redacted]
[redacted] Alexandria, Virginia, furnished the following information:

He advised that [redacted] in bankruptcy for the United States District Court for the Eastern District of Virginia, in Allied Automation, Incorporated, Bankruptcy Number 511-70-A, Automated Monetary Systems, Incorporated, Bankruptcy Number 510-70-A, and FRAZIER N. JAMES, SR., Bankruptcy Number 26-71-A. He advised that he became acquainted with FRED B. BLACK, JR., in approximately May of 1971. At this time BLACK approached him and offered to purchase the assets of the above bankrupt entities for \$80,000. [redacted] recommended the sale at this price, stating that he did not realize the true value of the patents in the companies. Objections were filed by various individuals, including [redacted]

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[redacted] and the sale was blocked. In July, 1971, a public sale was held and at this time KEN ETO of Chicago outbid FRED B. BLACK, JR., and purchased the bankrupt entities, placing a \$10,000 down payment and agreeing to pay the remainder of the \$480,000 purchase price within 30 days. ETO was unable to complete the agreement and the sale was nullified.

A second sale was held in December of 1971 at which time FRED B. BLACK, JR., and KEN ETO were present. FRED B. BLACK, JR., representing General Tool and Distributing Company with principal offices at 500 North Lee Street, Alexandria, agreed to purchase the bankrupt entities for \$470,000. At this sale ETO did not tender any bids, and [redacted] understood that BLACK had contacted ETO and made an agreement with ETO whereby for some consideration ETO would not bid against BLACK at this sale. [redacted] remembers discussions along this line by himself with BLACK and ETO.

Interviewed on 8/25/72 at Alexandria, Virginia File # AX 92-98
by SA [redacted] Date dictated 8/30/72

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription September 14, 1972

[redacted]
[redacted] Alexandria, Virginia, furnished the following information:

[redacted]
FRAZIER N. JAMES, a local inventor who had patented and was attempting to perfect a currency acceptor. A substantial investor in the companies formed was KEN ETO of Chicago. Through JAMES he became acquainted with ETO and on July 6, 1971, bid for ETO at a public bankruptcy sale for all rights to the bankrupt entity Allied Automation, Incorporated. On this date, [redacted] outbid other bidders, including FRED B. BLACK, JR., of Washington, and purchased Allied Automation, Incorporated, for ETO who was purchasing the company through Currency Systems of America. The purchase price was \$483,000. At this time ETO placed a \$10,000 deposit with the court and was obligated to furnish the remaining balance within 30 days from the date of this sale. ETO was unable to secure the remaining funds and the sale was subsequently nullified. b6
b7C
ub

A second sale of the bankrupt entity was ~~performed~~ *Perfected 6/1* December 7, 1971. At this time FRED B. BLACK, JR., and KEN ETO were present at the bidding; however, ETO tendered no bids on this date. ETO advised [redacted] that he was not going to bid on this date because he had been contacted by FRED B. BLACK, JR., and BLACK promised ETO that if he would forbear from bidding at this sale BLACK would see to it that ETO's \$10,000 deposit was returned to him, that all monies he invested in the bankrupt entities were returned to him, and also he promised ETO that he could purchase warrants in any companies formed from BLACK's purchase of the patents for one cent a piece, no matter what the prevailing price of the stock would be. ETO advised [redacted] that as a result of these promises he did forbear from bidding at the bankruptcy sale.

[redacted] also advised that he had invested approximately \$20,000 in the bankrupt entities, and BLACK had asked ETO to approach [redacted] and offered to pay him the \$20,000 to keep [redacted] happy. [redacted] questioned as to whether FRAZIER

Interviewed on 9/8/72 at Alexandria, Virginia File # AX 92-98-16

by SA [redacted] :pka Date dictated 9/14/72 b6
b7C

AX 92-98

JAMES [REDACTED] would also be paid off his investment in the company and BLACK notified him that he would not. For these reasons [REDACTED] declined the offer of BLACK placed through ETO.

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FEDERAL BUREAU OF INVESTIGATION

Date 7/30/721

The following information concerning KEN ETO, 5201 North Sheridan Road, Chicago, Illinois, was located in the following files at United States District Court (USDC), Bankruptcy Section, Alexandria, Virginia:

In the petition of Automated Monetary Systems in Bankruptcy, claimants include the following:

On June 8, 1971, KEN ETO, 5201 North Sheridan Road, Chicago, Illinois, filed a claim for \$20,000 supporting documents to be filed. The Currency Systems of America, 1011 West Belmont Street, Chicago, claimed \$103,500, supporting documents yet to be found.

In a petition of FRAZIER JAMES individually, KEN ETO had claimed \$8,000 and Currency Systems of America had claimed \$103,500. The files further reflected that on June 8, 1971, [REDACTED]

[REDACTED] of Currency Systems of America, claimed the \$103,500 owed to Currency Systems of America was the result of an unsecured loan which expired January 1, 1968.

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KEN ETO claimed \$20,000 to be an unsecured loan due on demand. This was due him from Allied Automation and Automated Monetary Systems. Further he claimed \$8,000 from FRAZIER JAMES personally as an unsecured loan due on demand.

On 7/24/72 at Alexandria, Virginia File # AX 92-98

by SA [REDACTED] : dmp

Date dictated 7/25/72

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/21/72

A review of the docket of the bankruptcy of Allied Automation, Incorporated, in U. S. District Court, Bankruptcy Section, revealed the following:

On June 8, 1971, a private sale of all rights to Allied Automation Incorporated was held. Present were [redacted] on behalf of FRED B. BLACK, JR. KEN ETO and [redacted] Previous to this date BLACK had offered \$80,000 for all rights to this corporation. At this sale ETO immediately bid \$90,000. The bidding then continued to \$155,000 when the referee in bankruptcy stopped the sale and continued it until July 6, 1971.

On July 6, 1971, a public sale was held. Those present were [redacted] on behalf of FRED B. BLACK, JR., ETO and [redacted]

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ETO placed the high bid of \$483,000. He placed a \$10,000 deposit in cash and was obligated to furnish the remaining balance within 30 days. ETO was unable to complete the agreement.

On November 16, 1971, negotiations were entered toward another sale of Allied Automation, Inc. Those present were [redacted]

FRED B. BLACK, JR., KEN ETO and [redacted] The records further indicates that the council adjourned to chambers to review an offer to purchase the bankrupt entity by General Tool and Distributing Company.

On November 30, 1971, final negotiations for sale were affected. Those present were [redacted] and [redacted] all representing FRED B. BLACK, JR. and the General Tool and Distributing Company.

Interviewed on 9/21/72 at Alexandria, Virginia File # AX 92-98

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SA [redacted]:lmm

9/21/72

by

Date dictated

AX 92-98

2

On December 7, 1971, the court approved the sale of Allied Automation, Incorporated to the General Tool and Distributing Company, for \$490,000, \$50,000 to be paid immediately and the remainder furnished in equal installments over three years.

AX 92-98

On September 13, 1972, Assistant U. S. Attorney DAVID H. HOPKINS, Alexandria, Virginia, issued a favorable prosecutive opinion and contemplated Grand Jury action against BLACK for violation of Title 18, Section 152, specifically the section stating, "Whoever knowingly and fraudulently gives, offers, receives, or attempts to obtain money or property, remuneration, compensation, reward, advantage, or promise thereof for acting or forbearing to act in any bankruptcy proceeding; shall be fined no more than \$5000 or imprisonment not more than five years or both.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 11/3/72	INVESTIGATIVE PERIOD 9/5/72 - 11/22/72
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [redacted]	TYPED BY jdd
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [redacted] dated 8/28/72.

- P -

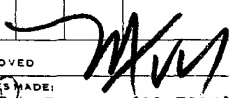
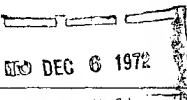
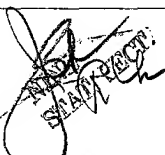
LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities in Chicago.

ADMINISTRATIVE

Information copies are being sent to the Alexandria, San Juan, and WFO Offices inasmuch as those offices are currently conducting active investigation on the subject.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
APPROVED 						SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE: 3 - Bureau (92-7319) 1 - USA, Chicago 1 - AIC, Chicago Field Office (Attn: SHELDON DAVIDSON) 2 - Alexandria (92-98) 1-(49-25) 1 - San Juan (92-335) 2 - Chicago (92-671) 1 - 183-27						92-7319-43  REC-73 ST-113	
Dissemination Record of Attached Report						Notations	
Agency	CC. AAG, Criminal Division						
Request Recd.							
Date Fwd.	Organized Crime and Racketeering						
How Fwd.	Section, Room 2744						
By							

57 JAN 10 1973

- A* -
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago
1 - AIC, Chicago Field Office (Attn: SHELDON DAVIDSON)

Report of: SA [REDACTED]
Date: November 20, 1972

Office: CHICAGO

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b7C

Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis: [REDACTED] Bourbon Street. interviewed.
[REDACTED]

[REDACTED] last reported in Cleveland, Ohio, October, 1971.
Subject to appear before FGJ, 11/28/72. Subject continues
control and attendance of Taco-Si, Incorporated.

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- P -

DETAILS:

AT CHICAGO, ILLINOIS

This document contains neither recommendations nor conclusions
of the FBI. It is the property of the FBI and is loaned to your
agency; it and its contents are not to be distributed outside
your agency nor duplicated within your agency.

FEDERAL BUREAU OF INVESTIGATION

9/13/72

Date of transcription

[redacted]
[redacted] Bourbon Street, Inc., 936 North
Rush Street, Chicago, was contacted at his residence [redacted]
[redacted] telephone number [redacted]
where he furnished the following information:

[redacted]

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In connection with obtaining a liquor license for Bourbon Street he never made any payoffs to any Chicago Police. While operating Bourbon Street he has made no or has been requested to make any payoffs to Chicago Police.

He knows KEN ETO and sees him about six times a month at Bourbon Street. KEN ETO has no interest in Bourbon Street.

[redacted] is the bookkeeper for Bourbon Street.

[redacted]
[redacted]

CG-92-2604
92-3466
92-671 ✓ 4.5

Interviewed on 9/5/72 at Chicago, Illinois File #

by SA [redacted] JEO: kas Date dictated 9/11/72

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- 2 -

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

AT CLEVELAND, OHIO

On [REDACTED] advised SA

[REDACTED] that he had ascertained [REDACTED] attempted to open a restaurant [REDACTED] Restaurant was to be called [REDACTED] or something similar to that. Source was unable to determine [REDACTED] present whereabouts.

On [REDACTED] advised SA

[REDACTED] was negotiating to open a steakhouse in the [REDACTED] which was to be called either [REDACTED] or [REDACTED] was apparently negotiating with [REDACTED] to furnish financing for this venture [REDACTED]

[REDACTED] apparently negotiations between [REDACTED] failed [REDACTED] [REDACTED] has not been seen or heard from since. Inquiry by [REDACTED] determined that they do not know [REDACTED] present whereabouts. [REDACTED] stated that it was her understanding [REDACTED] had a bank account at the [REDACTED]

[redacted] advised on September 20, 1972, [redacted] had a checking account at this branch [redacted] advised [redacted] resided at [redacted] and listed his business as [redacted] Chicago, Illinois.

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[redacted] advised on October 18, 1972, that he was acquainted with [redacted] who was supposedly going to open up some type of Japanese Steakhouse. [redacted] stated [redacted] supposedly had financial backing from [redacted] however, this backing failed and the steakhouse was never opened. [redacted] advised that he has no idea where [redacted] currently residing.

[redacted] advised on October 30, 1972, that his firm was negotiating with [redacted] in connection with the opening of a steakhouse [redacted]

[redacted] He advised that after further consideration by [redacted] it was decided not to pursue this matter further as information was received by them that [redacted] was somewhat of a "con man". During [redacted] did not know of anyone he associated with closely although he did have several girlfriends, names unknown. [redacted] stated that [redacted] might be located in Columbus, Ohio. [redacted] had indicated he might go to Columbus to open up a Japanese type steakhouse.

No lead is being set forth for the Cincinnati Division at Columbus by the Cleveland Division inasmuch as the Office of Origin should furnish sufficient background for interview in the event [redacted] located at that location.

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AT CHICAGO, ILLINOIS

On October 17, 1972, [redacted] advised he has spoken with KEN ETO on two or three occasions since last being contacted by the FBI.

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He continues owning stock in Taco-Si Corporation and some of that stock actually belongs to [redacted]

He recalls that [redacted] who was an officer of Taco-Si [redacted] He has not seen nor heard of [redacted] in over a year.

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Frequent contact has been maintained with Special Departmental Attorney MICHAEL H. KING, Chicago Strike Force between October 2, and November 22, 1972, concerning KEN ETO. ETO was served with a subpoena on October 31, 1972, to appear before a Federal Grand Jury (FGJ) being coordinated by Mr. KING. ETO is to appear November 28, 1972.

On October 31, 1972, ETO was served a subpoena by SA [redacted] at Caliendo's Finer Foods, a subsidiary of Taco-Si Corporation, 7625 North Austin, Skokie, Illinois. At about noontime, ETO was summoned from one of the active offices of Taco-Si and furnished a copy of the subpoena by SA [redacted] ETO then escorted SA [redacted] on a tour of Taco-Si's meat plant at 7625 North Austin, Skokie, Illinois. The physical plant was noted to be in good condition. There were three large refrigerators all in excess of 400 square feet floor space. The building was of new construction being approximately 150 feet by 150 feet. In the rear there were noted to be two employees working. Two refrigerators were empty and one contained very little merchandise.

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ALEXANDRIA	OFFICE OF ORIGIN ALEXANDRIA	DATE 12/27/72	INVESTIGATIVE PERIOD 9/21 - 12/15/72
TITLE OF CASE CHANGED FRED B. BLACK, JR.; KEN ETO		REPORT MADE BY SA [REDACTED]	TYPED BY sfc
		CHARACTER OF CASE NATIONAL BANKRUPTCY ACT	

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AB
Title changed to add subject KEN ETO.

REFERENCE: Alexandria report of SA [REDACTED]
9/21/72.

- P -

LEADS:

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report activities of subject ETO in Chicago.

WFO

AT WASHINGTON, D.C. Will continue to develop background information re FRED B. BLACK, JR.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:	
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
							PENDING PROSECUTION OVER SIX MONTHS	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: (4) Bureau (2-92-7319) 1-USA, Alexandria (Attn: AUSA DAVID H. HOPKINS) 1-Chicago (92-671)(Info) 1-WFO (92-2283) 4-Alexandria (2-49-25) (2-92-98)		92- 7319- NOT RECORDED 7 JAN 3 1973	
Dissemination Record of Attached Report		Notations	
Agency			
Request Recd.			
Date Fwd.			
How Fwd.			
By			

ORIGINAL FILED IN 49-20064-3

JAN 1 7 1973

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AX 49-25

ALEXANDRIA

AT ALEXANDRIA, VIRGINIA.

Will maintain contact with the U. S. Attorney's Office in preparation for special investigative Grand Jury.

ADMINISTRATIVE:

Special investigative Grand Jury has been scheduled by the United States Attorney BRIAN P. GETTINGS for January 17, 1973.

United States Attorney GETTINGS has recommended that comprehensive investigation be held in abeyance pending examination of interested parties before the Grand Jury, to further insure that subjects will have less opportunity to collaborate regarding their criminal activities.

No report has been submitted previously as it would be a mere status report. On conclusion of the Grand Jury a comprehensive report will be submitted detailing the status of the proceedings.

B*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION1-U. S. ATTORNEY, ALEXANDRIA, VIRGINIA
(ATTENTION: AUSA DAVID H. HOPKINS)

Copy to:

Report of:
Date:SA [REDACTED]
December 27, 1972

Office: Alexandria, Virginia

Field Office File #:

49-25

Bureau File #: 92-7319

Title:

FRED B. BLACK, JR.;
KEN ETO

Character:

NATIONAL BANKRUPTCY ACT

Synopsis:

Payment of \$146,666.60 due November 30, 1972, by General Tool and Distributing Company of Washington, D. C., headed by FRED B. BLACK, JR., was not tendered. Judicial proceedings are being conducted to determine if this action would constitute default of the sale. Special investigative Grand Jury has been scheduled to convene January 17, 1973, at Alexandria, Virginia.

- P -

DETAILS:

FEDERAL BUREAU OF INVESTIGATION

11/30/72

Date of transcription _____

1

Mr. FRAIZER JAMES, 4105 Duke Street, Suite 205, Alexandria, Virginia, furnished the following information:

He advised that his residence address continues to be 910 North Iverson Street, Apartment 102, Alexandria, Virginia.

He advised that sometime during the month of September, he placed a call to KEN ETO in Chicago, Illinois. At this time he was discussing the objections that FRED B. BLACK had made through his attorney to the claims filed by ETO in the pending bankruptcy proceedings of Allied Automation, Inc. During this conversation ETO told JAMES that he did not believe that BLACK ever intended to go through with the deal he had made with ETO, wherein BLACK had promised ETO warrants in the companies being offered at the bankruptcy sale if ETO would refrain from bidding. JAMES advised further that ETO was extremely upset because BLACK had filed objections to the claims of ETO for over \$120,000 that ETO had funneled into the companies before bankruptcy.

Interviewed on 11/24/72 at Alexandria, Virginia File # 92-98

by SA [redacted] :dmp Date dictated 11/26/72

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FEDERAL BUREAU OF INVESTIGATION

12/15/72

Date of transcription

1

Mr. MARVIN V. BOSTETTER, JR., Esq., furnished the following information:

He advised that he is presently the appointed Federal referee in bankruptcy for the Eastern District of Virginia, Alexandria Division. He has proceeded over the Allied Automation bankruptcy. He advised that the price which was paid for Allied Automation, Inc., and the patents attached to it was set by him at the last sale of this company. Reviewing, he noted that other offers had been made and one sale had been made to KEN ETO representing Currency Systems of America, Chicago, Illinois, but this sale then defaulted. Following this negotiations were held with General TOOL and Distributing Company of Washington, D.C., headed by FRED B. BLACK, JR. For this reason he determined that the sale price could not be less than was paid by ETO at the sale which subsequently defaulted. He therefore, demanded a sale price of approximately \$490,000 for Allied Automation and the patents it held at the last bankruptcy sale. He stated he would entertain no offers less than this amount.

Interviewed on 12/12/72 at Alexandria, Virginia File # AX 92-98

SA :dmp

12/13/72

by _____ Date dictated _____

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AX 49-25

United States Attorney BRIAN P. GETTINGS or
Assistant United States Attorney DAVID H. HOPKINS has
been contacted and consulted regarding this case on the
following dates:

November 8, 13, 29, 1972, December 5, 14, and 20, 1972.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ALEXANDRIA	OFFICE OF ORIGIN ALEXANDRIA	DATE 3/26/73	INVESTIGATIVE PERIOD 2/1/73 - 3/22/73
TITLE OF CASE FRED B. BLACK, JR.; KEN ETO		REPORT MADE BY SA 	TYPED BY pka
		CHARACTER OF CASE NATIONAL BANKRUPTCY ACT	

REFERENCE: Alexandria report of SA 1/29/73.

- P -

LEAD:

ALEXANDRIA

AT ALEXANDRIA, VIRGINIA. Will maintain contact with U. S. Attorney's Office while awaiting prosecutive opinion.

ORIGINAL FILED IN 49-20064-8

ACCOMPLISHMENTS CLAIMED					<input type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/>
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED						DO NOT WRITE IN SPACES BELOW	
COPIES MADE: ④ - Bureau (2 - 49-20064) (2 - 92-7319) ✓ 1 - USA, Alexandria (ATTN: DAVID H. HOPKINS) 1 - Chicago (Info) (92-671) 1 - WFO (Info) (92-2284) 4 - Alexandria (2 - 49-25) (2 - 92-98)						92- 7319- NOT RECORDED MAR 30 1973	
Dissemination Record of Attached Report						Notations	
Agency							
Request Recd.							
Date Fwd.							
How Fwd.							
By	54 APR 17 1973						

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, Alexandria, Virginia
(ATTN: AUSA DAVID H. HOPKINS)

Report of: SA [REDACTED] Office: Alexandria, Virginia
Date: 3/26/73

Field Office File #: 49-25 Bureau File #: 49-20064

Title: FRED B. BLACK, JR.;
KEN ETO

Character: NATIONAL BANKRUPTCY ACT

Synopsis: General Tool and Distributing Company, 2650 Virginia Avenue, (The Watergate Hotel), Washington, D. C., defaulted on purchase of all rights to bankrupt entities in this investigation. Investigation disclosed General Tool to have secured loans in excess of \$900,000 secured by securities in General Tool. General Tool is currently in default on all notes. Press coverage of this matter has been resultant in the Washington, D. C., newspapers. [REDACTED] appeared at Newport News, Va., on 2/12/73. [REDACTED] USA advised that prosecutive opinion will be forthcoming.

- P -

DETAILS:

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MONEY MACHINE

Recount by Jury

By NED SCHARFF

Star-News Staff Writer

A federal grand jury in Alexandria is conducting an investigation in an attempt to unravel a complex web of financial dealings surrounding a bankrupt inventor and his never-produced automatic money-changing machine.

The machine, which can issue receipts and change any size bill from \$1 to \$1,000, was the subject of a story in yesterday's Star-News which outlined inventor Frazier N. James' inability to get sufficient financial backing.

According to James, the machine can be adapted to far more uses than change machines now on the market. It could, for example, sell life insurance, money orders or take off-track racing bets.

The investigation, now eight months old, centers on the efforts of numerous investors to obtain legal title to the money machine's patents and to find additional funds to back its development, according to witnesses subpoenaed to testify before the grand jury. The U.S. attorney's office asked for the investigation.

RIGHTS TO THE machine's three key patents and several prototype machines James built have bounced in and out of court since December 1970, when James voluntarily declared himself and the corporations holding his patents to be bankrupt.

The purpose of the bankruptcy action, he said, was to avoid losing the patents to creditors who were pressing for immediate repayment of loans.

The patents were auctioned in a bankruptcy sale on July 6, 1971, to Ken Eto, a Chicago businessman, for \$483,000. Eto made a down payment of \$10,000 and agreed to pay the rest of the money in 30 days, but he never did, according to records in the bankruptcy

case. This brought the patents back into court.

In October, court records show that the bankruptcy trustees negotiated to sell the patents to General Tool & Distributing Co. of Washington, whose president was Fred B. Black Jr., a former business partner of Senate aide Bobby Baker. The firm had been among those bidding at the July auction.

THE BANKRUPTCY SALE agreement called for Black to pay a total of \$490,000 for the patents. But, like Eto, he paid only the \$50,000 down payment—the next installment was due Nov. 30, but was never paid, court records state.

Last Tuesday, bankruptcy referee Martin V. B. Bossetter declared General Tool in default and ordered the patent papers and machine prototypes returned to the trustees in preparation for a new auction.

Meanwhile, a spokesman for National State Bank of Elizabeth, N.J. appeared in bankruptcy court to testify that the bank, not Black, was now in possession of General Tool.

The spokesman, assistant vice president Allan Y. Cooper, said Black had used his majority interest in General Tool as collateral for \$931,000 in loans. Since making the loans to Black in the fall of 1971, Cooper said the bank had not heard from Black.

In return for the \$931,000 in loans, Cooper said the bank was left with 75 percent of the stock in General Tool — whose only asset beside the forfeited rights to the money machine patents is a majority interest in another company, Automated Business Machines, Inc. (ABM) of Alexandria, he added.

THE BANK ALSO told the court it is owed \$300,000 plus interest by ABM and its president, Patrick Truchio.

Cooper said he did not know who owned the other 25 percent interest in General Tool.

See MACHINE, Page B-6

The
Evening
Star

Section B

P. 1

3/1/73

MACHINE

Jury Recounting Tangle

Continued From Page B-1

The U.S. Attorney's office requested that grand jury subpoenas be issued to Black, Truchio, Eto, James, and several other attorneys and business associates.

U.S. marshals attempting to serve Black his grand jury subpoena were unable to find him at his Watergate apartment, and Black's attorney, Thomas R. Dyson Jr., said he did not know Black's whereabouts.

Dyson said, however, that he was in frequent telephone contact with Black and that his client had said he would not respond to a reporter's questions about the money machine.

Truchio is a former vice president of Alexandria National Bank who founded ABM, an automatic typewriter repair and rental firm, associates said. Truchio performed the bidding for General Tool during the 1971 auction and also had possession of the prototype machines until General Tool was ordered to forfeit its patent rights Tuesday, according to court records.

TRUCHIO DECLINED to answer questions about his role as General Tool's bidder, but in a telephone interview he said he and Black first met while they were inspecting James' machine in the inventor's workshop on Pickett Street in Alexandria.

James said that up to the time he declared bankruptcy, he had invested about \$1 million of his own in the machine's development.

In addition, he estimated, other investors, including Black and Truchio, had contributed about \$2 million.

Black, now 58, was convicted in 1964 on charges of income tax evasion but the decision was voided three years later when then Solicitor General Thurgood Marshall admitted having used an electronic bugging device in Black's hotel room to obtain evidence.

Black also was named as a co-defendant with Bobby Baker in a civil suit charging them with using influence to peddle vending machine contracts to firms working on government defense projects, but the suit was settled out of court.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ALEXANDRIA	OFFICE OF ORIGIN ALEXANDRIA	DATE 1/29/73	INVESTIGATIVE PERIOD 1/2/73 - 1/18/73
TITLE OF CASE FRED B. BLACK, JR.; KEN ETO		REPORT MADE BY SA 	TYPED BY lib
		CHARACTER OF CASE NATIONAL BANKRUPTCY ACT	

REFERENCE: Alexandria report of SA
on 12/27/72.

-P-

LEAD:ALEXANDRIA

Will maintain contact with U.S. Attorney's Office
while awaiting prosecutive opinion.

ORIGINAL FILED IN 49-20064-6

ACCOMPLISHMENTS CLAIMED				<input type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/> NO
APPROVED <i>CDB/HL</i>					SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE: ① Bureau (2-92-7319) 1- USA, Alexandria (Attn: AUSA DAVID H. HOPKINS) 1- Chicago (92-671) (Info) 1- WFO (92-2284) 4- Alexandria (2- 49-25) (2- 92-98)					<div style="text-align: right;">REC-40</div> <div style="text-align: center;"> 7 FEB 2 1973 ST-104 </div>	
Dissemination Record of Attached Report					Notations	
Agency	<i>Lotham Co.</i>				<div style="border: 1px solid black; padding: 5px;"> SIX DATA PROC 92-7319 NOT RECORDED FEB 22 1973 </div>	
Request Recd.						
Date Fwd.	<i>2/14/73</i>					
How Fwd.	<i>O-CD</i>					
By	<i>JKR/KK</i>					

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1- USA, Alexandria, Virginia
(Attn: Assistant U.S. Attorney DAVID H. HOPKINS)

Report of: SA [REDACTED] Office: Alexandria, Virginia
Date: 1/29/73

Field Office File #: 49-25

Bureau File #: 92-7319

b6
b7c

Title: FRED B. BLACK, JR.;
KEN ETO

Character: NATIONAL BANKRUPTCY ACT

Synopsis: General Tool and Distributing Company, 2650 Virginia Avenue, Suite 401 is the Watergate Hotel and is the hotel room where FRED B. BLACK, JR., resides. Automated Business Machines of 300 North Lee Street, Alexandria, Virginia, is completely controlled by General Tool and Distributing Company. Automated Business Machines is the marketing arm for the patents General Tool and Distributing Company acquired in November, 1971, bankruptcy proceeding in Alexandria, Virginia. Through General Tool and Distributing Company, Automated Business Machines has secured loans for over \$350,000 during 1971, all of which Automated Business Machines has defaulted on. Special investigative grand jury convened January 17 and 18, 1973, at Alexandria, Virginia. Subject BLACK was in the Mayo clinic, Rochester, Minnesota, and unavailable for service of subpoena. Subject ETO invoked constitutional privileges. [REDACTED]

[REDACTED] U.S. Attorney immediately requested service of subpoena on [REDACTED] directing him to February grand jury in Newport News, Virginia. [REDACTED]

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b6
b7c

[REDACTED] U.S. Attorney advised prosecutive opinion would be forthcoming after thorough study of the grand jury transcripts.

-P-

DETAILS:

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription January 22, 1973

[redacted]
Virginia, was interviewed in front of 905 16th Street,
Northwest, Washington, D. C. He furnished the following
information:

[redacted] of Automated Business
Machines, Incorporated, of 300 North Lee Street, Suite 200,
Alexandria, Virginia. His company operates to manufacture
and distribute automatic typewriter systems and also to
manage and attempt to distribute patents purchased in bank-
ruptcy of the Allied Automation, Incorporated, currency
acceptor systems. He advised that his company sold 58% of
its stock to FRED B. BLACK, JR., for \$100,000 approximately a
year ago. BLACK purchased this stock through General Tool
and Distributing Company of 2650 Virginia Avenue, Suite 401.
The address is listed as the primary corporate address for
General Tool and Distributing Company, Washington, D. C.;
however, it is merely a shell of a corporation and in fact is
the hotel room where FRED B. BLACK, JR., resides. General
Tool has no operations of a corporate nature other than raising
capital and purchasing companies. They have no payroll or
management network. Automated Business Machines, Inc., is the
managing and distributing arm of General Tool and Distributing
Company for the Allied Automation, Inc., patents on the currency
acceptors. b6 b7C

[redacted] further advised that he had known KEN ETO
previous to ETO's purchase of the patents at Allied Automation.
In review, he stated that after ETO had purchased the patents
he had been unable to complete the financial arrangements placed
upon him by the bankruptcy court and had defaulted. After this
time, [redacted] advised that he knows BLACK to have contacted ETO
and made an arrangement whereby ETO would not engage in further
bankruptcy proceedings. On one occasion previous to November,
1971, he was present when BLACK was on the phone talking with
KEN ETO. He stated from the conversation he determined that
BLACK was attempting to negotiate some sort of arrangement to
keep ETO out of further bankruptcy proceedings. Subsequent to
this conversation and still previous to the November, 1971,

Interviewed on 1/15/73 at Washington, D. C. File # AX 49-25
AX 92-98
by SA [redacted] WEB:pka Date dictated 1/19/73 b6 b7C

AX 49-25

AX 92-93

2

bankruptcy sale of Allied Automation, [redacted] was present at a meeting in the Watergate Hotel room of FRED B. BLACK, JR. Also attending were [redacted] and KEN ETO. At this meeting, ETO and BLACK were negotiating an arrangement whereby ETO would forbear from entering any further bankruptcy proceedings. BLACK promised ETO that he would receive \$5,000 cash, that he would sell stock in General Tool and Distributing Company to ETO as soon as General Tool had acquired the patent rights to Allied Automation, Inc., and further that the claims that ETO would make against the bankruptcy amounting to approximately \$120,000 would be returned to ETO. Regarding this last item, BLACK advised that he wished ETO to first pursue the matter through the bankruptcy courts but that if his claims were disallowed he would see to it that the money was returned to ETO. ETO concurred on this arrangement and agreed to stay out of further proceedings and allow General Tool and Distributing Company to acquire the patent rights to Allied Automation at the next bankruptcy sale. b6 b7C

[redacted] advised further that with ETO out of any active bidding BLACK was certain there would be no other bidders as numerous letters had been sent out by the referee and trustees in bankruptcy, and ETO is the only one who indicated interest in the bankruptcy proceeding in and around November, 1971.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 1/29/73

KEN ETO furnished the following information:

Immediately upon his arrival at the United States Attorney's Office, Alexandria, Virginia, he contacted Special Agent [redacted] and advised that he wanted to talk. He then stated that he would discuss any aspect of this matter with one FBI agent, however he would not sign the standard Warning and Waiver Form and he stated he would never testify to what he stated to the recipient agent.

b6
b7c

Later in the same day ETO advised that if he were granted immunity he still would not testify immunity for the government explaining that it was against the rules to testify for the government even under immunity. He stated he would go to jail before ever testifying. ETO also was observed to decline to sign any expense vouchers for remuneration of his expenses and stated to United States Marshal [redacted] "you got to be crazy, I'd never take a dime from the government."

Interviewed on 1/17/73 at Alexandria, Virginia File # AX 49-25
AX 92-98
by SAs [redacted] and [redacted] Date dictated 1/23/73
WEB:11b

b6
b7c

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 1/29/73

United States Attorney BRIAN GETTINGS, advised that he was questioning [redacted] regarding the [redacted] and that he requested immediate service of subpoena on [redacted] directing him to the Federal Grand Jury in Newport News, on February 12, 1973. This subpoena was secured from the United States Clerk of Courts Office and served on [redacted]

[redacted]

[redacted]

[redacted]

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Interviewed on 1/18/73 at Alexandria, Virginia File # AX 49-25
AX 92-98 b6
by SA [redacted] :11b Date dictated 1/25/73 b7c

AX 49-25

WEB:11b

1

On January 18, 1973, United States Attorney BRIAN GETTINGS advised that his office intended to make a thorough study of the transcripts of the Grand Jury proceedings which had just concluded and at that time would issue a prosecutive opinion regarding this matter.

2/22/73

AIRTEL

TO: ACTING DIRECTOR, FBI
FROM: SAC, ALEXANDRIA (49-25)(P)

FRED B. BLACK, JR.;
KEN ETO
NBA
(OO: AX)

ReAXrep of SA [REDACTED], 1/29/73.

On 2/21/73, AUSA DAVID H. HOPKINS, Alexandria, Va., advised that he had been contacted by [REDACTED] reporter, Washington Star News, Washington, D. C. HOPKINS was advised that on Sunday, 2/25/73, a feature article would appear regarding captioned case. The article would detail the life story of FRAZIER JAMES, the inventor who patented a currency acceptor device around which instant bankruptcy proceedings are concerned. Further articles will report the activities of BLACK and ETO in the bankruptcy proceedings.

Above being submitted for information of Bureau in event of press inquiry.

4 - Bureau
② - 92-7319
1 - Chicago (92-671)(Info)
1 - WFO (92-2284)(Info)
2 - Alexandria
WEB:IAT
(8)

58 MAR 7 1973

NOT RECORDED

162 MAR 6 1973

ORIGINAL FILED IN 49

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE FEB 2 1973	INVESTIGATIVE PERIOD 11/27/72 - 2/21/73
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY prk
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [REDACTED] dated 11/30/72.

- P -

LEADSALEXANDRIA

AT ALEXANDRIA, VIRGINIA. Will continue to keep Chicago advised of the results of the pending Grand Jury investigation of subject and FRED BLACK.

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities and associates in Chicago.

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
						PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
APPROVED <i>H/11</i>				SPECIAL AGENT IN CHARGE		DO NOT WRITE IN SPACES BELOW
COPIES MADE: ③ Bureau (92-7319) 1-USA, Chicago 1-AIC, Chicago Field Office (ATTN: SHELDON DAVIDSON) 2-Alexandria (49-25) 2-Chicago (92-671) 1- 49-2868				92- 1319- 45		REC-77
				23 MAR 5 1973		EX-117
Dissemination Record of Attached Report				Notations		
Agency	/ CC. AAG, Criminal Division			DATA PROC		
Request Recd.						
Date Fwd.	Organized Crime and Racketeering					
How Fwd.						
By	Section 7944					

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATIONCopy to: 1-USA, Chicago
1-AIC, Chicago Field Office (ATTN: SHELDON DAVIDSON)

Report of: SA [REDACTED]

Office: CHICAGO

Date: FEB 2, 1973

b6
b7C

Field Office File #: 92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis:

On 11/28/72 KEN ETO appeared before FGJ, Chicago [REDACTED]
[REDACTED] ETO reported to have been
introduced to Chicago outfit as a result of being on
juice to the BUCCIERI group. ETO associating with [REDACTED]
[REDACTED] On 1/17 - 18/73, ETO appeared before FGJ,
Alexandria, Virginia. ETO contacted 2/8/73.

b3
b6
b7C

- P -

DETAILS:

On [REDACTED] advised that
he obtained information indicating that KEN ETO became
associated with the syndicate through a juice loan.
ETO became delinquent in payments and received a beating
from BUCCIERI's people. ETO displayed such stoicism
that he impressed the hoodlums and was eventually em-
ployed by them.

b2
b7Db6
b7C

CG 92-671

b6
b7C

ETO associated with [] the political fixer at the Mart Inn.

b2
b7D

[] was recontacted on [] but was unable to provide any additional information.

On November 28, 1972, MICHAEL H. KING, Strike Force Attorney, Chicago, advised that KEN ETO appeared before a Federal Grand Jury investigating gambling matters in Chicago that date []

b3

[]

[]

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AT LOS ANGELES, CALIFORNIA

Attempts to locate [] have given negative results [] advised that he has worked at [] and he has never heard of [] He further advised that the previous manager of [] was [] Los Angeles indices are negative on []

[] has no idea where [] lives now, but that he is not in the Los Angeles area.

b6
b7C

CG 92-671

On January 11, 1973, SAs [redacted] and [redacted] served KEN ETO with a subpoena commanding his appearance before the Federal Grand Jury in Alexandria, Virginia, on January 17, 1973. ETO appeared to be living alone in his apartment at 5451 Northeast River Road. ETO commented to the Agents that you already know everything about me and as a matter of fact you talk to everyone back there about me.

[redacted] advised that [redacted] resided in the apartment house throughout [redacted]

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b7c

KEN ETO always pays cash for his apartment and has one parking spot allotted, that being #112. [redacted]

Last month KEN ETO paid his rent with all new \$20 bills.

ETO is residing in his apartment even though his lease has run out and contacts by [redacted] have resulted in ETO saying that his continuing the lease all depends on what happens on November 28, 1972, when he appears before a Grand Jury in Chicago.

b6
b7c

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/18/731

[redacted] who gave his address
as [redacted] Illinois, and phone number
[redacted] provided the following information to Special
Agents (SAs) [redacted]

[redacted] met [redacted]
[redacted] Chicago, when [redacted]

[redacted]

b6
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[redacted]

[redacted] were arrested by the

[redacted]

[redacted]

[redacted] advised that KEN ETO was a close
friend of [redacted] and frequently visited [redacted]
at [redacted] first met ETO
with [redacted] at a place called The Downstairs Den on
Rush Street, approximately three years ago.

Interviewed on 1/9/73 at Chicago, Illinois

CG 92-3539 183-27

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b7C

File #

92-671

SAs [redacted] and

by

/dcb

Date dictated

1/15/73

SEARCHED	INDEXED
SERIALIZED	FILED

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/14/73

KEN ETO was contacted at the Howard Johnson Restaurant, Cumberland and Higgins Roads, Park Ridge, Illinois, where he furnished the following information:

In about January, 1968, he was arrested at his residence by the Chicago Police Department in Park Ridge, Illinois. Due to that arrest concerning Bolita, he received extensive publicity. It was about this time that [redacted]

He was approached by [redacted] who had sold his home. [redacted] told ETO that he was the [redacted]

ETO apprised [redacted] of the facts concerning his arrest and his publicity alleging connections with organized crime in Chicago. [redacted] told him that he would check with his [redacted] and determine whether it would be okay to buy the house. Later, [redacted] approached ETO and said [redacted] said it would be okay.

ETO stated his girlfriend, [redacted] is now residing with him at the Lamplighter Towers Apartments.

[redacted]

[redacted]

He no longer is engaged in racketeering activities and intends on supporting himself in the future on gambling

Interviewed on 2/8/73 at Park Ridge, Illinois File # CG 92-671

by SA [redacted] prk Date dictated 2/12/73

2
CG 92-671

activities at the race track.

He has an eighth grade education.

Concerning the Bolita arrest by the Chicago Police Department, he feels the charges were dismissed because the figures on the slips of paper seized by the Police could not be proven to mean anything.

He stated he has used juice loans in the past and it is a convenient method of obtaining money because he does not have that type of credit rating that would lead to a bank loan.

In conclusion, he stated he is willing to discuss his own personal activities with the Federal Bureau of Investigation (FBI) but does not want to talk about his friends and associates.

CG 92-671

On January 17, - 18, 1973, KEN ETO appeared before
a Federal Grand Jury, Alexandria, Virginia. [REDACTED]
[REDACTED]
[REDACTED]

On February 21, 1973, an anonymous Chicago Police
Officer telephoned SA [REDACTED] and advised that on one
occasion he arrested KEN ETO in about 1968 and took him to
the Town Hall District. ETO told this arresting Officer that
it would be a waste of time to "house" ETO in the station be-
cause ETO dropped \$1,500 a month to [REDACTED]
[REDACTED]



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Chicago, Illinois

In Reply, Please Refer to
File No.

CG 92-671

FEB 28 1973

Title

KEN ETO

Character

ANTI-RACKETEERING

Reference

is made to report of SA [redacted]
[redacted] dated and captioned as above.

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE MAY 29 1973	INVESTIGATIVE PERIOD 3/7 - 5/17/73
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA 	TYPED BY mj
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA 2/28/73.

-P-

LEADS

ALEXANDRIA

AT ALEXANDRIA, VIRGINIA. Will continue to keep Chicago advised of the results of the pending Grand Jury investigation of subject and FRED BLACK.

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities and associates in Chicago.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
APPROVED <i>SA/PSM</i>					SPECIAL AGENT IN CHARGE		DO NOT WRITE IN SPACES BELOW <div style="font-size: 1.5em; font-weight: bold; text-align: center;">92-7319-46</div> <div style="text-align: center;">16 MAY 31 1973</div> <div style="text-align: right; font-weight: bold;">REC-34</div> <div style="text-align: right; font-weight: bold;">ST-102</div>
COPIES MADE:							
2 - Bureau (92-7319)							
1 - USA, Chicago							
1 - AIC, Chicago Field Office, SHELDON DAVIDSON							
2 - Alexandria (49-25)							
2 - Chicago (92-671)							
Dissemination Record of Attached Report							
Agency							
Request Recd.	CC. AAG, Criminal Division						
Date Fwd.	Organized Crime and Racketeering						
How Fwd.							
By	Section, Room <i>2744</i>						

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, Chicago
1 - Attorney in Charge, Chicago Field Office
SHELDON DAVIDSON

Report of: SA [redacted]
Date:

Office: Chicago

Field Office File #: MAY 29 1973
92-671

Bureau File #: 92-7319

Title: KEN ETO

Character: ANTI-RACKETEERING

Synopsis:

ETO allegedly associating with [redacted] in Bolita operations. ETO observed with DOMINIC BELLA, 3/9/73. ETO reportedly in possession of large sums of U.S. Currency. [redacted] } ILL.

[redacted] advised [redacted] who closely associated with KEN ETO. ETO driving 1973 Ford LTD, white vinyl over brown, four-door bearing 1973 Illinois license VP1591.

-P-

DETAILS: AT CHICAGO, ILLINOIS

On [redacted] advised that KEN ETO is involved in a bowling alley on Mannheim Road in the Chicago suburbs. [redacted] a Chinese-American is an associate of KEN ETO's, who now has the restaurant in the Embassy Motel on Mannheim Road, and also has a little bar there. KEN ETO has boasted that he is not frightened by the Federal Grand Jury (FGJ) investigation of his activities. ETO continues to associate with his paramour, [redacted]

CG 92-671

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On Friday, March 9, 1973, at about 12:15 PM, DOMINIC DI BELLA, JOE DI VARCO, and KEN ETO were observed at one table in Mammy's Pancake House on Rush Street, across from the Marilyn Hotel. At the table immediately across the isle [REDACTED] was sitting with [REDACTED] (LNU) and another person believed to be [REDACTED]

b2
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On [REDACTED] advised that he has learned that ETO and [REDACTED] were collecting the money obtained from the Bolita operations and were using the Rush Street Currency Exchange.

On [REDACTED] advised that KEN ETO was working with DOMINIC DI VELLA.

b2
b7D

AT [REDACTED]

On March 28, 1973, [REDACTED] was recontacted in this matter and advised that he has nothing knew to furnish. He said that Taco is now selling for .25 cents, but in order to purchase it one must pay .63 cents.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription April 12, 1973

1

[redacted]
[redacted] who resides at [redacted] Fla.
[redacted] telephone number [redacted] and does
business as [redacted]
telephone number [redacted] was contacted in the restaurant Mont
of the Allerton Hotel on North Michigan Avenue, where he
furnished the following information:

He first came into contact with Taco-Si Corporation,
through an acquaintance of his in New York, who arranged
an introduction with [redacted]

[redacted]

b6
b7c

In connections with his investments in Taco-Si
Corporation, he has become acquainted with [redacted]
[redacted] and KEN ETO who is better known to him as
JOE. He is not exactly sure what ETO's position is in
Taco-Si Corporation, but ETO does exert considerable control
over the company.

Interviewed on 4/5/73 at Chicago, Illinois File # CG 92-3539
CG 92-671 CG 183-27
by SA [redacted] and JEO/mj Date dictated 4/10/73

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b7c

3

CG 92-3539
CG 92-671
CG 182-27

He has seen KEN ETO better known to him as JOE on several occasions in the Rush Street area at such places as Bourbon Street, and the Den and also at Charlie Miyoshi's restaurant.

described as follows:

Race
Sex
Height
Weight
Hair
Eyes
Education

Dress

b6
b7c

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/23/73

1

[redacted]
Chicago, Illinois, provided the following:

[redacted]
[redacted]

It was after they returned to Chicago that she learned of [redacted] association with KEN ETO. [redacted] invited ETO to her apartment for dinner and she over-heard ETO and [redacted] discussing Taco-Si Corporation. She concluded that they were both stock holders. [redacted] treated ETO with much respect.

b6
b7c

She had met ETO some time before in the Rush Street area and usually called ETO "JOE THE JAP". When ETO was arrested and charged with running an illegal gambling operation, he was in possession of [redacted] telephone number. He called her to let her know of this. She advised that ETO'S reason for having her number was so that he could reach [redacted]

[redacted] was an associate of ETO'S. He managed the Down Stairs Den in the Rush Street area for ETO. [redacted] advised that the two of them split on bad terms because ETO didn't live up to his agreement regarding financial remuneration.

[redacted]
[redacted]

92-3539, (92-671)
92-1160, 92-1998,
92-1360, 183-27,
92-3512

b6
b7cInterviewed on 4/19/73 at Chicago, Illinois

File #

SA [redacted]
SA [redacted]

by

Date dictated 4/23/73

AT SKOKIE, ILLINOIS:

On April 27, 1973, the following vehicles were observed parked in the parking lot of Taco-Si Corporation, 7625 North Austin, Skokie, Illinois:

1972 Ford Maverick, license 1973 Illinois VP1591, Taco-Si Corporation, 7625 North Skokie.

1972 Ford Maverick, license 1973 Illinois VP1592, Taco-Si Corporation, 7625 North Skokie.

1973 Illinois [redacted] on a 1971 Buick, listed to [redacted] Illinois.

1973 Illinois VY8558 on a 1968 Jeep, four-door wagon, listed to Taco-Si Corporation, 7625 North Austin Avenue, Skokie, Illinois.

1973 Ohio license [redacted] (no data on that license).

On April 27, 1973, observations at Taco-Si parking lot revealed a 1973 Ford LDT, four-door with opera windows on rear side panels, white vinyl over brown, bearing 1973 Illinois license VP1591, was purchased from Johnson's Ford as described on the decalcomania, and was being used by KEN ETO.

On May 17, 1973 [redacted] was contacted at [redacted] and was unable to provide any information.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Chicago, Illinois

MAY 29 1973

Title KEN ETO

Character ANTI-RACKETEERING

Reference is made to report of Special Agent
[redacted] dated and captioned as above.

b6
b7c

All sources (except any listed below) whose identities are concealed
in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE JUL 27 1973	INVESTIGATIVE PERIOD 5/17/73 - 7/23/73
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY
		CHARACTER OF CASE AR	

REFERENCE: Chicago report of SA [REDACTED] dated 5/29/73.

- P -

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities and associates in Chicago.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE		ACQUIT-TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED [Signature]						SPECIAL AGENT IN CHARGE		
COPIES MADE: ③ - Bureau (92-7319) 1 - USA, Chicago 1 - AIC, Chicago Field Office PETER VAIRA 2 - Chicago (92-671)						DO NOT WRITE IN SPACES BELOW 92-7319-47 22 AUG 2 1973 REC-71 EX-105		
Dissemination Record of Attached Report						Notations		
Agency	CC - AAG, Criminal Division					NONE		
Request Recd.	Organized Crime and Racketeering					DATA PROC		
Date Fwd.	24/73					JUL 27 1973		
How Fwd.	By					JUL 27 1973		

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago
1 - AIC, Chicago Field Office, PETER VAIRA

Report of: SA [REDACTED] Office: Chicago
Date: JUL 27 1970
Field Office File #: 92-671 Bureau File #: 92-7319
Title: KEN ETO

Character: ANTI - RACKETEERING

Synopsis: ETO reportedly replaced [REDACTED] in 1969 as "outfit" boss of the Chicago south side policy racket. [REDACTED]

[REDACTED] interviewed concerning Caliendo's Finer Foods. ILL.

- P -

DETAILS:

AT CHICAGO, ILLINOIS:

[REDACTED] advised on [REDACTED] that [REDACTED] no longer associated with the South side policy wheel racket. [REDACTED]

[REDACTED] "dumped" by members of the Chicago underworld in about 1969, when it became apparent to them [REDACTED] was becoming too rich from his employment [REDACTED] replaced by an individual who was an oriental and referred to by the Negroes on the south side as "the Chinaman". [REDACTED] was the number one black man under [REDACTED]

FEDERAL BUREAU OF INVESTIGATION

-1-

Date of transcription June 8, 1973b6
b7c

[redacted]
Wisconsin, was interviewed at Mr. C's Pancake House,
on Midvale Avenue, Madison, Wisconsin, and furnished
the following information.

[redacted]

[redacted]

[redacted]

[redacted] considered the
business to be a legitimate enterprise and could
not anticipate any "organized crime" influence getting
into such a small business. He advised that it
was his feeling the company was just now getting to
a financial position where it would begin making
a profit and "take-off." He stated during the past
few years, he has merely been "turning dollars," in
an effort to hold the business together and make
a go of it.

Interviewed on 6-5-73 at Madison, Wisconsin File # MI 183-3
by SA [redacted] /mjk Date dictated 6-5-73

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;
it and its contents are not to be distributed outside your agency.

-2-
MI 183-3

b6
b7c

[redacted]
[redacted]
[redacted]
[redacted]
[redacted] advised that he was acquainted with KEN ETO. He stated he only knew that ETO was employed by [redacted] and worked in the capacity of obtaining customers for the products. He advised that he did not know of any investment interests in the company on the part of KEN ETO and stated that the stockholders were a matter of public record. He advised the stock is offered to the public "over the counter."

[redacted] advised that he did not know whether KEN ETO was a salaried employee of [redacted]. He stated he was not acquainted with ETO's background nor was he acquainted with [redacted] background and only knew [redacted] reputation for preparing food. He stated that he had learned since being an investor in this company that there was a real art to preparing chicken for example for freezing and, thereafter, having it thawed to turn out to the right flavor. He advised that [redacted] had this talent.

[redacted] primary interest was to hold his investment together and see to it that merchandising was handled for a profit.

On June 26, 1973, THOMAS MC DONOUGH, Cook County States Attorney, furnished the following information to Special Agent (SA) [redacted]

--

b6
b7C

--	--

Regarding [redacted] MC DONOUGH has information [redacted] had stolen money from [redacted] which he used to help finance Taco-si Corporation. KEN ETO, the Chicago hoodlum figure is the true owner of Taco-si. MC DONOUGH advised that ETO wanted to branch out from his policy and other gambling operations and [redacted] appeared as a useful vehicle for his exploitation.

b6
b7C

- 5 -

CG 92-671

a "don" when he travels about the country setting up gambling operations. His sources further advised that when MEYER LANSKY set up the casinos in the Bahamas, ETO was the man who hired the casino employees and set up the gambling tables inside the casinos.

On June 26, 1973, Strike Force Attorney JAMES HENDERSON, advised that he had received confidential information that the subject acting as a front for a group of Chicago investors had purchased several buildings in the amount of \$4,000,000.00, and falsely inflated the value to \$7,000,000.00. [REDACTED]

b7D

[REDACTED]

[REDACTED]

[REDACTED] stated that he does not know KEN ETO.

b6
b7C



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No. CG 92-671

Chicago, Illinois

JUL 27 1973

Title : Ken Eto

Character: Anti - Racketeering

Reference: Chicago report of Special Agent
[redacted] dated and captioned
as above.

b6

b7c

All sources (except any listed below) whose identities are concealed
in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ALEXANDRIA	OFFICE OF ORIGIN ALEXANDRIA	DATE 8/24/73	INVESTIGATIVE PERIOD 4/16/73 - 8/17/73
TITLE OF CASE FRED B. BLACK, JR.; KENOTO		REPORT MADE BY SA [REDACTED]	TYPED BY krl b6 b7c
		CHARACTER OF CASE NATIONAL BANKRUPTCY ACT	

- P -

ADMINISTRATIVE DATA:

No report previously submitted as it would have been a mere status report inasmuch as U. S. Attorney, Alexandria, has had extended conferences with officials of the Justice Department and no investigation being conducted during this period of time.

LEADb6
b7cALEXANDRIA

AT ALEXANDRIA, VIRGINIA. Will review records of the Alexandria Corporation Court regarding law suits filed for and on behalf of [REDACTED]

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
							PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

4-Bureau (49-20064)
2-92-7319)
1-USA, Alexandria (ATTN: AUSA
DAVID H. HOPKINS)
1-Chicago (Info)(92-671)
4-Alexandria
(2- 9-25)
(2- 2-98)

92-7319	
NOT RECORDED	
199 AUG 27 1973	

Continuation Record of Attached Report		Notations
Agency		
Request Recd.		
Date Fwd.	5/8 SEP 6 1973	
How Fwd.		
By		

COVER PAGE

ORIGINAL FILED IN 49-20064-9

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Alexandria, Va. (ATTN: AUSA DAVID H. HOPKINS)

Report of: SA [REDACTED] Office: Alexandria, Virginia
Date: 8/24/73

Field Office File #: AX 49-25

Bureau File #: 49-20064

Title: FRED B. BLACK, JR.;
KEN ETO

Character: NATIONAL BANKRUPTCY ACT

Synopsis:

[REDACTED]

[REDACTED] AUSA, Alexandria, conferring extensively with high officials of the Justice Department to determine proper prosecutive posture of this matter.

- P -

DETAILS:

On April 16, 1973, Assistant U. S. Attorney DAVID H. HOPKINS, Alexandria, Virginia, advised that this matter, including files of his office, was referred to Assistant Attorney General KURT MULLENBERG, for study by his office.

Following information is submitted by WFO
for the assistance of Alexandria:

Name: FREDRICK BENJAMIN BLACK
Federal Bureau of
Investigation #: 413-417B
Height: 5'10"
Hair: Brown
Eyes: Blue
Social Security
Account Number: 496-09-7273
Marine Serial
Number: 337-43-912 (Army Air Corps)

AX 49-25

Assistant U. S. Attorney DAVID H. HOPKINS was contacted regarding this matter on June 4, 1973, and July 10, 1973, and on both occasions he advised that the Justice Department and his office were thoroughly studying this matter to determine the proper prosecutive posture for this case.

On July 25, 1973, SA [redacted] reviewed the records of the Alexandria City Corporation Court and found

[redacted]

On July 30, 1973, SA [redacted] conferred with Assistant U. S. Attorney DAVID H. HOPKINS and AL PORITZ of the Justice Department regarding this matter. It was determined at this time that a thorough review of the records at the Alexandria Corporation Court with regard to the activities of [redacted] in conjunction with Automated Business Machines, Inc., and General Tool and Distributing Company will be analyzed by SA [redacted] and Mr. PORITZ of the Justice Department.

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 10/31/73	INVESTIGATIVE PERIOD 8/8/73 - 10/29/73
TITLE OF CASE KEN ETO, aka		REPORT MADE BY SA [REDACTED]	TYPED BY mmg
CHARACTER OF CASE AR		b6 b7C	

REFERENCE: Chicago report of SA [REDACTED] dated 7/27/73.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to follow and report subject's activities and associates in Chicago.

INFORMANTS

Source	Date of Contact	Contacting Agent
[REDACTED]		SA [REDACTED]

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE RECOVERIES	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES			
APPROVED COPIES MADE				DO NOT WRITE IN SPACES BELOW		

- ③ Bureau (92-7319)
1 - USA, Chicago
1 - AIC, Chicago Field Office
(PETER F. VAIRA)
2 - Chicago (92-671)

92-7319-48
NOV 5 1973

REC-30

ST-110

Dissemination Record of Attached Report	
Agency	CC. AAG, Criminal Division
Requester	Organized Crime and Racketeering
Date	Section, Room 2744

Notations

DATA PROC

55 NOV 9 1973

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

1 - USA, Chicago
1 - AIC, Chicago Field Office (PETER F. VAIRA)

Report of:

SA [redacted]
10/31/73

Office: CHICAGO

b6
b7C

Date: _____

10/31/73

Field Office File

92-671

Bureau File #: 92-7319

Title:

KEN ETO

Character:

ANTI-RACKETEERING

Synopsis:

KEN ETO reportedly Comptroller, Taco-Si, Inc., Skokie, Illinois. [redacted] advised ETO was visitor of [redacted] at Metro Casualty Insurance Company. [redacted] contacted regarding involvement in [redacted]

b6
b7C

advised he resides in same building as KEN ETO. [redacted] operating prostitutes in Chicago, Illinois, and Rosemont, Illinois.

- P -

DETAILS:

FEDERAL BUREAU OF INVESTIGATION

August 9, 1973

Date of transcription _____

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b7c

1

[redacted]
[redacted] in Chicago, Illinois, who resides at [redacted]
[redacted] telephone number [redacted] was contacted
at his place of business. [redacted]
[redacted] where he furnished the
following information:

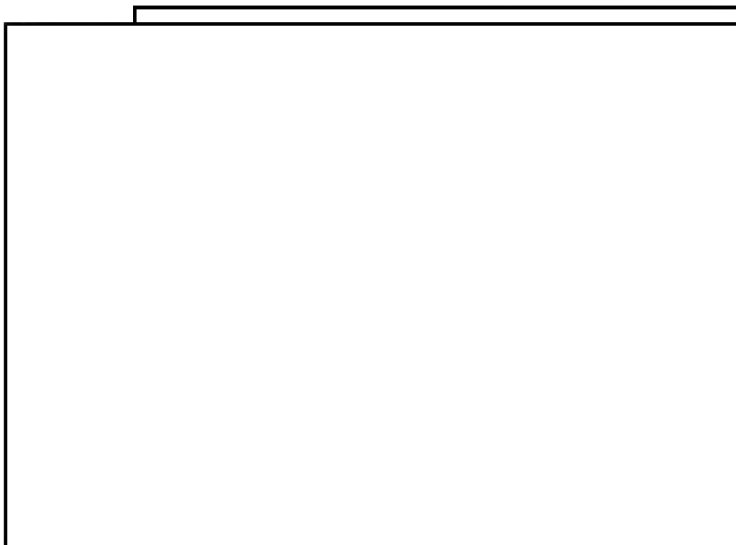
[redacted]

Interviewed on 8/8/73 at Chicago, Illinois File # CG 92-3539
CG 92-871
by SA [redacted] and JEO/mj Date dictated 8/8/73

b6
b7c

2
CG 92-3539
CG 92-671

While employed at [REDACTED]
Company he met KEN ETO, who at that time was better
known to him as JOE THE JAP. The office girls in the
Bankers Building are holdovers from the previous owner
as is [REDACTED]



b6
b7c

The following description was obtained by
observation and interview:

Name
Date of Birth
Place of Birth
Height
Weight
Hair
Eyes



2
CG 92-3539
CG 92-671

b6
b7c

def
KEN ETO and [] see each other on a social basis and when they have dinner together they frequently talk about the operations of the Taco-Si Company. When [] got married last month, KEN ETO attended the wedding. [] advised that [] an associate of ETO's, had invested \$25,000.00 in the Lawn Budget Finance Company [] [] He advised that the \$25,000.00 investment of [] may have come from KEN ETO.

[] would furnish information regarding Taco-Si Corporation and its operation after []

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/73

1

[redacted] currently residing at the
[redacted] in Chicago, Illinois provided
the following information:

[redacted]

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KEN ETO is currently living at the Lamplighter Towers Apartment where he has been seen on occasion leaving the garage area with two black bags marked with an "X". The bags supposedly contain bolita and policy money.

ETO can be seen at the Tides Motel at 5200 North Sheridan in the company of FRANK ORLANDO and [redacted]

[redacted]

b6
b7CInterviewed on 8/14/73 at Chicago, IllinoisFile # CG 92-3539
CG 92-671by SAs [redacted] and
[redacted] l/lanDate dictated 8/14/73

- 7 -

CG 92-671

[redacted] of the Illinois Legislative
Investigation Commission, advised Special Agent (SA)
[redacted] on August 28, 1973, that [redacted]
[redacted]
[redacted]

b6
b7c

[redacted] There
maybe a connection between Crissie Catering Service
and the Taco-Si Corporation since both are involved
in a similar-type operation.

[redacted] noted that when KEN ETO, JR. was
arrested, he was carrying one of [redacted]
business cards. KEN ETO, SR. is an officer of Taco-
Si Corporation.

For additional background, [redacted]
of the Elmwood Park Police Department can be contacted.
[redacted] telephone number is [redacted] The latest
information regarding the Crissie Catering Service is
that the operation is moving to Elk Grove Village.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/6/731

[redacted] was interviewed at his residence, [redacted]

He advised that his telephone number was [redacted]

b6
b7c

He provided the following information:

[redacted]

Interviewed on 8/30/73 at Chicago, Illinois File # 92-3574
92-3895
by SA [redacted] HFB/wug Date dictated 9/6/73

b6
b7c

CG 92-671

In addition to the foregoing [redacted]
[redacted] advised [redacted] is still
involved in Bolita [redacted] told him of his involve-
ment and the fact that there are at least 200 Bolita
writers on the street.

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Every Wednesday morning there is a phone
call made to or from Puerto Rico informing the ETO
group of the winning number in the Puerto Rican lottery.

He has no evidence of any police corruption,
but feels that the police received money from [redacted]
[redacted]

In [redacted]
[redacted]
[redacted] was summoned to meet
KEN ETO. He feared for his life and was "dressed down"
by ETO at a Rush Street Tavern.

CG 92-671

On September 19, 1973, [REDACTED]
Intelligence Unit, Chicago Police Department, advised
he had no current information on KET ETO.

b6
b7c

On September 6, 1973, a telephone call to
Taco-Si, Incorporated, of Skokie, Illinois, 966-0440
was answered by KEN ETO, who in conversation revealed
that he is the comptroller of Taco-Si Incorporated,
and continues to reside at the Lamplighter Tower
Apartments with new telephone number 693-6136.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription October 15, 1973

1

[redacted] in
[redacted] was contacted in the vicinity of his
residence, [redacted]
[redacted] where he voluntarily furnished the following
information:

[redacted]

[redacted]

b6
b7c

After being at Taco-Si, Incorporated in Skokie, Illinois, for about one month he became acquainted with KEN ETO. At the time he first met ETO, one [redacted] was running Taco-Si, Incorporated. It was not until six months ago that he found out from [redacted] exactly what KEN ETO's role was in the operation of Taco-Si, Incorporated.

Interviewed on 10/11/73 at [redacted]CG 92-671
CG 183-27SA
SA [redacted]

JEO/mj

Date dictated

10/12/73

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2
CG 183-27
CG 92-671

Taco-Si has been quite successful in their frozen food preparation business in the last three months. [redacted] states that in the month of July, Taco-Si grossed about \$30,000.00, in August they grossed \$60,000.00 and in September they grossed \$30,000.00. The successful operation was caused by the meat shortage during that time. Some of these suppliers of Taco-Si, Incorporated are as follows:

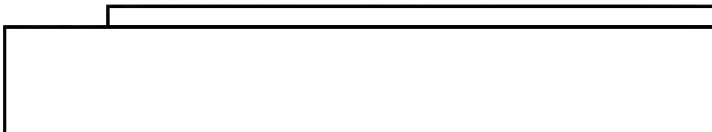
O'Brien's
Located on South Halsted Street
A supplier of beef products

b6
b7c

LaRossa Foods
Supplier of noodles

Falbo Cheese Company

Amelia Brothers
Pork Suppliers



The officers of Taco-Si, Incorporated are now:

PHILLIP CALIENDO
President

MAX HORWITZ
Chairman of the Board

JOE HANEY
Secretary-Treasurer

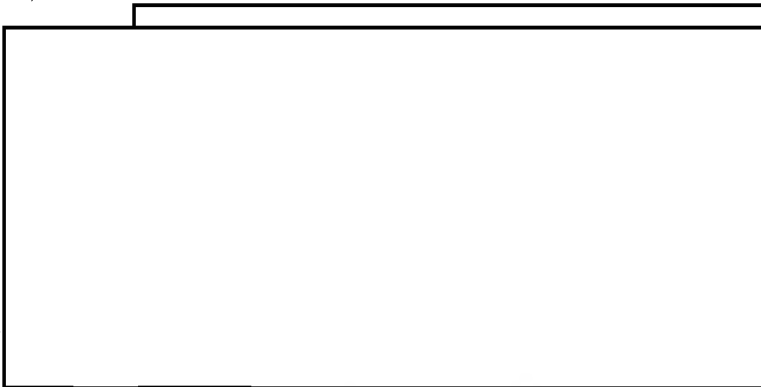
KEN ETO
Corporation Comptroller

3
CG 183-27
CG 92-671



b6
b7c

KEN ETO and [redacted] are continuing to operate their Super Kitchen in the Golden Eight Pool Room at 44 East Walton Street.



[redacted] When [redacted] is in the presence of KEN ETO, however, he shows great difference to ETO.

4
CG 183-27
CG 92-671

b6
b7c

[REDACTED]

goes out with these girls every night and KEN ETO knows about that fact. KEN ETO is very upset with [REDACTED] for spending his time with these prostitutes. Until recently [REDACTED] operated two other prostitutes at the Four Horsemen Lounge in Rosemont, Illinois.

At the offices of Taco-Si, Incorporated, there are records of the officers of the corporation and loans made to the corporation [REDACTED]

In connection with [REDACTED] prostitution activities, there is a small individual [REDACTED] who assists [REDACTED] This individual is known as [REDACTED] who is a pimp, whom he describes as follows:

Race	White
Sex	Male
Decent	Greek
Age	40
Height	5'5"
Build	Thin
Characteristics	Has his finger nails manicured.

5
CG 183-27
CG 92-671

Whenever [redacted]
[redacted] always boasts about his syndicate connections.

It is his knowledge that KEN ETO is now on
the payroll of Taco-Si, Incorporated as the comptroller
and has a salary of \$400.00 a week. [redacted]
[redacted]

[redacted]
[redacted]

b6
b7c

[redacted] stating that it is
his opinion and knowledge that [redacted] and ETO's operation
of Taco-Si, Incorporated is merely a stock sham. Both
ETO and [redacted] are trying to inflate the value of Taco-Si,
Incorporated, dump it on the market and walk away from this.

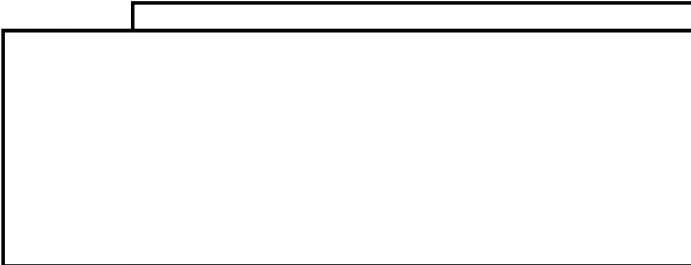
The following description was obtained by observation
and interview:

Name
Race
Sex
Date of Birth
Place of Birth
Residence

Telephone Number
Height
Weight
Hair
Social Security
Account Number

[redacted]

CG 92-671



b2
b6
b7C
b7D

[redacted] lives [redacted] and has
a business, [redacted] He can be
reached during the day at telephone number [redacted]
and evenings at [redacted] His attorney is [redacted]
telephone number [redacted]

b6
b7C

On October 26, 1973, this matter was discussed
with the Attorney-in-Charge, Chicago Strike Force, PETER
F. VAIRA, who expressed interest and ordered an Internal
Revenue Service audit of ETO and Taco-Si Incorporated.



In Reply, Please Refer to

File No. CG 92-671

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois
October 31, 1973

Title KEN ETO

Character ANTI-RACKETEERING

Reference is made to Chicago report of Special Agent [redacted] dated and captioned as above.

b6
b7c

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 25

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Page 296 ~ b2, b6, b7C, b7D